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Torray Clark breakup bitter

By Joel Chernoff

BETHESDA, Md. — Shortly after David T. Clark was dismissed as executive vice president of Torray Clark & Co. Inc., the locks on the doors were changed.

That action was emblematic of how the relations between Mr. Clark and Robert E. Torray had soured. After nearly 14 years in business together, the breakup was akin to the dissolution of a marriage.

"Each person was responsible for 100% of the success and 0% of the failure," said one observer.

The hostilities did not cease with Mr. Clark's dismissal in December.

By April, Mr. Clark had sued his former firm and its board of directors. Not only did he accuse Mr. Torray, the firm's president and chairman of the board, of cheating him out of his profits as shareholder of one-third of the firm's stock, but also he vigorously protested Mr. Torray's

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Wall St.'s biotech spree put on hold

Wall Street is going through a cooling-off period after a buying spree involving biotechnology stocks. Genentech, whose lab is pictured at right, was the first biotech company to bring a product to market with the growth hormone Protropin in 1985. Turn to the corporate finance section, page 13.

Pensions & Investment Age

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Alternative minimum tax at issue

Senate reform bill could hit corporate funds

By Richard J. Gillespie

WASHINGTON — The Senate version of tax reform inadvertently would impose an unprecedented tax on corporate pension funds that could cost U.S. companies millions of dollars.

Through its provisions for toughening the alternative minimum corporate tax, the Senate bill could cause reported income — which is affected by reported pension expense — to be included in tallying the tax.

Companies subject to the alternative minimum tax proposal would have to pay tax on differences in pension fund expense arising from the Financial Accounting Standards Board's Statement 87 on pension fund accounting.

Although the House bill does not contain a similar provision, pension experts note the outcome of the House-Senate tax conference committee now meeting is far from clear.

Meanwhile, the Securities and Exchange Commission has backed away from the reported income issue, allowing the FASB to take the lead in the area.

The issue of changing the alternative minimum tax also has generated concern in Congress.

Pearre Williams, legislative assistant to Sen. Malcolm Wallop, R-Wyo., a member of the conference committee, said, "Everyone points to it and says: 'Now big corporations will have to pay taxes.'

"When you take a look at it very closely, you see that it is not good policy, but totally political."

"There are significant problems, and some people are starting to recognize that it may be a very difficult concept to implement," said Lawrence Portnoy, tax partner at Price Waterhouse, Washington.

Mr. Portnoy said Congress is considering switching to a rule based on earnings and profits and dropping the reported income concept, but would retain certain items (not yet defined) in computing the tax.

Harold Dankner, technical head of benefits consulting operations at Coopers & Lybrand, Washington, said taxing reported income might cause companies to inadequately fund their plans and even terminate them.

"I think in the pension area it makes no sense for a host of reasons, and we have been very disturbed about the concept altogether," Mr. Dankner said.

"Under the Senate bill, companies that have had favorable investment experience would be penalized because of their favorable experience, and to penalize companies while assets are at an

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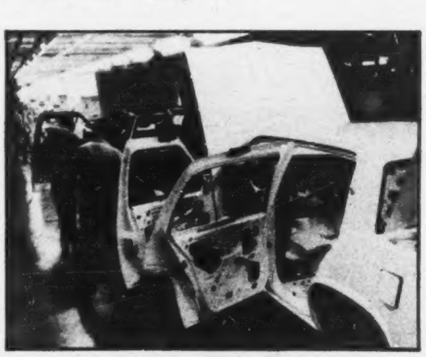

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Junk bond deals not all roses

GECC sale irks investors

By Marci Baker

STAMFORD, Conn. — General Electric Credit Corp. is turning a quick profit — much to the chagrin of some "junk bond" investors — by immediately selling the $400 million in debt it provided in the just-completed $3.7 billion leveraged buy-out of R.H. Macy & Co., New York.

GECC is selling $400 million in 14.5% senior subordinated Macy debentures due 1998 in a public offering jointly managed by Goldman, Sachs & Co. and Kidder, Peabody & Co., both of New York.

GECC will retain, however, its almost $60 million investment in Macy preferred stock, which will be convertible in a 20% common equity stake in the retail concern.

The move has angered some junk bond investors, who enthusiastically bought positions in an offering of $950 million of Macy bonds in June. Investors knew GECC intended to sell its Macy bonds publicly, but they didn't know it would happen so fast.

"Most investors are perturbed that GE Credit would come out so quickly to sell the bonds," said David Solomon, president of Solomon Asset Management, New York, one of the original investors who later sold some of his bonds.

To the investors, the transaction says "GE Credit doesn't want to own the bonds of Macy's, and they are turning around and dumping them in our lap just to get the equity in the deal," said another junk bond investor.

Junk bond investors have grown increasingly critical of the bonds — sometimes dubbed "cram-down money" — being presented to them in acquisition-related deals. Corporate management, major financial institutions and Wall Street firms arranging the deals get the most attractive investments in the deals, while junk bond investors are being offered the leftovers, they complain.

Despite their objections, the investors concede investment bankers aren't having any trouble finding buyers for acquisition paper, largely because of

Early calls worry holders

By Marci Baker

Junk bond investors are alarmed that high-yield bonds in their portfolios may be vulnerable to being called in early through use of a controversial mandatory redemption clause.

According to a recent research report by Morgan Stanley & Co., New York, at least seven high-yield bond issues may be at risk of being prematurely called through a measure similar to one recently used by Minstar Inc., Minneapolis.

AmBrit Inc., Clearwater, Fla.; Maxxam Group, New York; Petroleum Heat & Power, Stamford, Conn.; Union Texas Petroleum, Houston; and United Stockyards, New York, are either nearing minimum net worth thresholds that would require the companies to begin redemptions or are in position to trigger the clauses through asset writedowns or stock buybacks.

The bond issues of these companies total more than $500 million.

Investors have been on the lookout for companies that may use net worth provisions to call in high-yield debt ever since Minstar Chairman Irwin Jacobs announced his company would use the special covenant to redeem 10% of a 14⅞% $300 million note issue.

When Minstar discovered the wording, providing for accelerating redemption, the company already was in default of the convenant, said Chris Andersen, managing director at Drexel Burnham Lambert Inc., New York. Technically, the company had to launch the call.

Still, the move infuriated investors. The notes had been trading at 113% of par prior to Mr. Jacobs' announcement, and investors had presumed they were shielded from redemption until 1990 when normal call provisions kicked in.

The possibility of more net worth-related calls "certainly does concern me," said Paul Owens, who just recently joined Morgan Stanley Asset Management, New York, to launch a junk bond management

The *P&I Age* monthly indexes track the changes in the Standard & Poor's 500 stock index, the Russell 3000 stock index, the Ryan Index of fixed-income securities and the Shearson Lehman Government/Corporate bond index.

***P&I Age* June indexes**

	Latest mo.	Year to-date	Trailing 12 mos.
S&P 500	1.69	20.84	35.85
Russell 3000[1]	1.49	21.46	35.67
Ryan Index[2]	3.72	13.14	25.51
Shearson Lehman Gov't./Corp.[2]	2.90	9.94	20.63

Source: Rogers, Casey and Barksdale Inc.

[1] Frank Russell Co.

[2] Fixed income.

Fiduciary insurance rates exceed claims

By Steve Hemmerick

Fiduciary liability insurance renewals are costing corporations up to two to three times more than previous policies, even though insurers don't seem to be hit with many claims on fiduciary policies.

And while the policies cost more, they are providing millions of dollars less in insurance coverage and more exclusions or loopholes. Under certain circumstances — including policy exclusions for pension plan terminations — the corporations have no fiduciary insurance at all.

Some corporate executives will hazard a guess about why costs are up, but the exact reasons elude them. They believe there should be a sharper correlation between increases of claims and costs.

At the same time, costs vary widely for fiduciary insurance. Detroit-based General Motors Corp., for example, is paying $800,000 this year for $60 million in fiduciary liability coverage, while American Information Technologies Corp., Chicago, is paying $56,000 for $50 million in coverage, according to a study by the District of Columbia Retirement Board.

Policies do differ in coverage, and the GM policy is protecting a larger pool of assets ($25 billion) than is Ameritech's, which has a $10 billion fund.

But while GM's asset pool is 2.5 times larger, the automaker is paying more than 14 times Ameritech's cost.

Patricia Benedict, risk manager for Ameritech, said she is negotiating a new policy to replace a one that is expiring. Ameritech bought a three-year policy in January 1984 that cost $56,000 to provide $50 million in coverage with a $1,000 deductible.

Now, however, Ameritech's carrier — National Union Fire Insurance Co., Pittsburgh, — can offer only $20 million in coverage because of the insurer's reduced capacity to offer that line of insurance, Ms. Benedict said.

She said she might not add coverage above the $20 million, finding that amount sufficient. Additional coverage also would be quite expensive. Under the old policy, she said, each $1 million in coverage cost $1,100. So far, quotes she has received from insurers would mean $13,000 in additional premium for each $1 million in additional coverage.

Like many other risk managers, she notes insurers aren't differentiating between good or bad loss experience in charging for liability coverage. She said she is considering an alternative, such as captive or pooled insurance risk,

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Hot managers aided by California moves

By Trudy Ring

Seven of the 10 managers that won the greatest amount of new business during the second quarter were beneficiaries of the $36 billion California Public Employees' Retirement System's move to external management of about $2 billion.

The managers, to be hired upon completion of fee negotiations, are Dimensional Fund Advisors, Santa Monica, Calif.; First Chicago Investment Advisors, Chicago; Lazard Freres Asset Management, New York; Atalanta/Sosnoff Capital Corp., New York; Fidelity Bank, Philadelphia; Geewax Terker & Co., King of Prussia, Pa.; and TSA Capital Management, Los Angeles.

Each will manage between $100 million and $500 million for the California system. First Chicago and TSA will be balanced managers, while the others will run equities.

Dimensional, with three other new accounts reported in *Pensions & Investment Age* during the quarter, came out the overall leader in new discretionary assets under management for the period. Rankings are based solely on accounts reported in *P&I Age*; other firms could have won more assets, but if the accounts were not reported in the publication, they are not considered in the quarterly statistics.

Dimensional's other new assignments were running $212 million, on an interim basis, for the Illinois Municipal Retirement Fund, Chicago; running $100 million for the Nevada Public Employees' Retirement System, Carson City; and managing $10 million for the Major League Baseball Players' Association pension fund, New York. All are for equity management; Dimensional uses a passive approach to man-

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Marathon moves inside

5 firms terminated; U.S. Steel fund handles assets

By Barry B. Burr

USX Corp. released all five money managers of its Marathon Oil Co. unit's $600 million pension fund and turned the assets over to its U.S. Steel & Carnegie Pension Fund to run internally.

The change was made July 1, said Gary A. Glynn, president and chief investment officer of the New York-based U.S. Steel fund.

The managers terminated were: Boston Co. Institutional Investors Inc., Boston; IDS Advisory Group Inc., Minneapolis; and Jennison Associates Capital Corp., Lord Abbett & Co. and Equitable Life Assurance Society of the United States, all of New York.

USX and Marathon executives declined to disclose the amount of assets each balanced manager ran.

USX has not made a decision on Texas Oil & Gas Corp., its other major unit with a separately managed, $23 million pension fund with six outside managers. A Texas Oil executive said the possible change to internal management has been discussed.

Mr. Glynn said the Marathon move "had nothing to do with the restructuring" of the Pittsburgh-based steel and oil corporation. He said it was being planned during the past four months.

Earlier this month, U.S. Steel Corp. changed its name to USX Corp., restructuring itself with four stand-alone operating units, each responsible for its own success. The four are: Marathon, Findlay, Ohio; Texas Oil & Gas, Dallas; USS, the renamed steel firm; and U.S. Diversified Group.

"U.S. Steel's basic investment policy has been to manage money internally," Mr. Glynn said.

Virginia Saam, USX special representative-investor relations, described the change as cost effective. She declined to say how much Marathon would save in investment management fees.

The U.S. Steel & Carnegie Pension Fund has $8 billion in assets, all managed by a 15-member in-house staff.

Mr. Glynn said the fund won't need to add any staff to handle the Marathon assets.

Mr. Glynn said the managers turned over all their securities intact to the U.S. Steel fund to consummate the transfer.

The Marathon executive noted Marathon's fund was invested 80% in equities and 20% in fixed income, including a small amount in international securities.

Because of the move, Chase Manhattan Bank, New York, was changed from Marathon's master trustee to its custodian. U.S. Steel & Carnegie Pension Fund has no master trustee, Mr. Glynn said; its custodians, U.S. Trust Co. and Morgan Guaranty Trust Co., both of New York, were not affected.

Even though USX bought Marathon three years ago, Ms. Saam said, "it wasn't a problem area, so sometimes things like that aren't the thing that get sorted out in a merger right away." ■

Cash is raised in quarter

By Chuck Paustian

Active equity managers raised cash during the second quarter of 1986, perhaps indicating the beginning of the end for the aging bull market.

Although the managers contacted by *Pensions & Investment Age* all said they think there is still some life left in the bull, many also said the underlying economic factors needed to support continued growth are absent.

"It's going to take better earnings and/or lower interest rates to get this thing going higher," said Robert L. Rust, vice president and trust investment officer at Hibernia National Bank, New Orleans.

According to data collected by INDATA, an investment analysis service of Gordon, Haskett & Co., Southport, Conn., institutional equity portfolios finished the second quarter of 1986 with 6.3% cash, compared with 6% at the end of the first quarter.

During the second quarter, the Standard & Poor's 500 stock index rose 5.9%.

"If the market went up and the cash (figures) went up, that means managers had more money (in cash) than before," said William T. Kennedy, a partner in the Atlanta office of INDATA.

All but one of the 10 managers tracked by *P&I Age* raised cash during the second quarter.

Alliance Capital Management Corp., New York, was the lone manager to report a lower cash position. Alliance held 4% cash as of June 30, down from a little less than 5% at the end of the first quarter.

Barbara Barringer, marketing assistant at Alliance, said the decrease in the cash position was not significant because normally it usually ranges between 4% and 6%.

Alliance manages more than $16 billion in equity assets.

The largest increase was reported by First City National Bank of Houston. First City ended the quarter with 10% cash, up from 5% at the end of the first quarter.

"We thought the market was long overdue for a correction. The market dynamics have deteriorated since March," said Ted Davis, senior vice president and chief investment officer at First City, which manages $1 billion in equity assets.

Mr. Davis said he remains "fairly optimistic" about the stock market. But he added, "At some point in time, probably within the next six months, we're going to look seriously at changing our outlook on both the equity and bond markets.

"It's getting late in the ball game."

Sit Investment Associates Inc., Minneapolis, raised its cash position to 10% at the end of the second quarter from a range of

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'85 pension assets outpaced liabilities

By Rose Darby

Pension assets of the nation's 100 largest ndustrial and manufacturing companies grew more rapidly in 1985 than the companies' retirement liabilities did, a Wright nvestors' Service survey shows.

Wright, of Bridgeport, Conn., conducted the survey for *Pensions & Investment Age* by examining the 1985 annual reports of the Top 100 companies (by sales) listed in For-une magazine.

Pension assets of the 100 companies rose 8.8% in 1985, to $233.5 billion from $196.5 billion in 1984.

Total pension benefits promised to all current and former employees increased 2.3% last year, to $189.5 billion from 168.7 billion.

(Liabilities are calculated using a variety of actuarial methods and assumptions, so the comparison above is more a gauge than a precise measure.)

At the same time, the amount of pension expense borne by the Fortune 100 decreased.

Pension expense, or the amount charged against company income to fund benefit payments in 1985, totaled $10.82 billion for 1985, a 17.8% drop from the $13.17 billion recorded a year earlier.

Among reasons cited for the dramatic drop were the early adoption of Financial Accounting Standards Board statements, increases in assumed rates of return, foreign exchange rates and divestiture of corporate divisions.

Tables accompanying this story can be found on pages 16 and 17.

Only 5% of the companies (E.I. du Pont de Nemours & Co., Wilmington, Del.; Exxon Corp., New York; Johnson & Johnson, New Brunswick, N.J.; Phillips Petroleum Co., Bartlesville, Okla.; and Shell Oil Co., Houston) reported early adoption of FASB Statements 87 and 88 for their pension plans.

The statements, which must be adopted by Dec. 15, require companies to, among other things, list unfunded liabilities on the balance sheet. Now, pension assets and liabilities are found in the footnotes to the financial statement.

American Telephone & Telegraph Co., New York, reduced its pension expense 36.8% in 1985, to $657 million from $1.04 billion in 1984. The reduction primarily was due to the assumption of a higher rate of return, according to a company spokesman.

Assumed rates of return were raised to 12.5% in 1985, and will decline to 5.5% in 1998 and later years, according to the annual report. These rates are the equivalent of 6.7% on a level rate of return basis, the spokesman said.

In 1984, an assumed rate of return of 8% was used. That rate was to decline to 5% in 1998 and later years, according to the annual report. That formula was the equivalent of a level rate of 5.7%, he said.

The return used for 1985 reflected favorable earnings of plan assets in recent years, he said.

At ITT Corp., New York, there was a reduction in pension expense of 20.8% to $152 million in 1985 from $192 million in 1984.

The reduction was due to a number of factors, said Raymond Alleman, senior vice president and controller.

Prominent among these was the divestiture of a number of ITT divisions during 1985, he said.

Also, foreign exchange rates were a contributing factor because of the company's extensive overseas business activities, he explained.

Eighty-nine of the 100 companies reported their pension plans are overfunded, an increase of one from last year. Surplus assets of the 89 plans totaled about $64 billion in 1985, a 64% jump from the

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Indexing booming; up 59% in 6 months

By Ed Christman

Index fund assets snowballed to 124.96 billion as of June 30 — a 9% increase in six months — as nstitutional investors continued o pour money into the funds at a taggering rate.

Leading the way was Wells Fargo Investment Advisors, San Francisco, which claimed $41.1 billion in indexed assets vs. $22.9 billion six months ago.

The $124.96 billion in indexed ssets was tallied by *Pensions & nvestment Age* in a telephone urvey. It represents an increase of nearly 59% over the $78.64 billion money managers reported to *P&I Age* as of Dec. 31.

The latest statistics also are an ncrease of 173% over the $45.7 billion reported to *P&I Age* as of Dec. 31, 1984.

The flight to indexing is fueled by the inability of the majority of ctive managers to outperform the market indexes and by the preading acceptance among executives of large pension plans o use an indexed core approach o investment management.

Of the total assets indexed as of une 30, $101.47 billion was for quity indexing; $19.6 billion, ixed-income indexing; $2.4 billion, asset allocation indexing; nd $1.6 billion, indexing strategies using options and futures.

Indexed equities grew 51.9% ver the $66.8 billion reported by managers at the end of 1985. Of hat, assets indexed to a "plain anilla" Standard & Poor's 500 tock index totaled $62.8 billion. The remainder was in a variety of ustomized funds and international index funds.

"We are seeing a lot more interst in indexing with wrinkles," aid Rick Nelson, vice president nd head of the passive management group of the Bankers Trust - Investment Management Group, New York. "The acceptance of those strategies reflects a rend to more esoteric index products."

The indexes tracking the Wilshire 5000; the Russell 2000 (an bbreviated version of the Russell 000); and the BARRA Fundamental Risk Measurement Service niverse (6,000 stocks) total about 6.9 billion. Other extended funds otal about $19.1 billion, including .2 billion in small-, medium- nd large-capitalization index niverses.

Customized and tilted index unds, usually with active kickers, claimed $9.5 billion, while international indexing claimed almost $3 billion. Of the latter figure, State Street Bank and Trust Co., Boston, was the dominant player, claiming nearly $2.2 billion.

Asset allocation indexing claimed almost $7 billion, of which nearly $4 billion was from Wells Fargo, and is double-counted in the total stock and bond index funds. The $4 billion, however, is not doubled counted in the total indexed assets of $124.96 billion.

Fixed-income indexing grew at a slightly faster rate than equity, jumping 66% to $19.6 billion as of June 30, vs. $11.8 billion six months earlier.

Most managers expect the amount in fixed-income indexing to some day equal equity.

"There is no conceptual reason why fixed-income indexing won't one day be equal to equity," said Lyle Davis, senior vice president and chief investment officer of the asset management division of State Street Bank and Trust.

"If anything, active fixed-income managers have performed worse than active equity managers."

In the first half of 1986, Wells Fargo's domination of indexing spread to the fixed-income area as well as the West Coast juggernaut took the top spot with $7.7 billion, passing Mellon Bank, Pittsburgh, which had $4.4 billion.

Of the $19.6 billion in all fixed-income index funds, about $6.2 billion was in the Shearson Lehman bond indexes, mainly the Government/Corporate; $437 million was in the Salomon Brothers Broad Investment Grade index; $140.5 million was in Merrill Lynch's universe; and $3.1 billion in the same universes but indexed by sectors.

Other fixed-income funds totaled $9.8 billion, including $5.5 billion run by Wells Fargo in various index vehicles and $2.3 billion run by Mellon Bank in an intermediate core fixed-income index.

Although a longtime leader in indexing, Wells Fargo emerged as the dominant force during the past 1½ years, growing by leaps and bounds over Bankers Trust.

At the end of 1984, only $1 billion in indexed assets under management separated the two; Wells Fargo had $14 billion and Bankers Trust, $13 billion.

Now, Wells Fargo has nearly doubled Bankers Trust's $20.7 billion in indexed assets. ■

Top index fund managers

($ millions)

	Total indexed (as of 6/30)*	Equity	Bond	Total indexed (as of 12/31)	Equity	Bond
Wells Fargo	41,100	33,400	7,700	25,185	22,859	2,326
Bankers Trust-Investment	20,700	18,300	1,300	19,160	18,160	1,000
State Street Bank	13,115	10,802	2,013	3,812	2,733	1,079
Mellon Capital Mgmt.	12,700	10,600	0	7,400	6,920	480
American National Bank	10,000	9,000	1,000	7,977	7,177	800
Mellon Bank	5,530	1,100	4,430	3,627	0	3,627
Dimensional Fund Advisors	3,396	3,138	258	2,348	2,169	178
Manufacturers Nat'l Bank	2,731	2,731	0	1,128	570	558
Northern Trust	2,616	2,422	10	800	800	0
Alliance Capital Mgmt.	2,600	2,600	0	709	709	0
Wilshire Associates	2,115	2,115	0	2,050	2,050	0
Chase Investors Mgmt.	1,647	1,647	0	540	540	0
Prudential Asset Mgmt.	1,034	652	382	377	320	57
Lehman Mgmt.	1,029	0	1,029	750	0	750
Boston Co.	750	650	100	205	205	0
RepublicBank Dallas	457	457	0	272	252	20
Vanguard Group	450	450	0	442	442	0
T. Rowe Price Assoc.	429	0	429	125	0	125
Harris Trust	390	260	130	125	85	40
Brown Brothers Harriman	320	0	320	320	0	320
Centerre Trust-St. Louis	260	260	0	23	23	0
Great American Core	249	249	0	200	200	0
BA Investment Mgmt.	224	122	102	103	77	26
Metropolitan Life	201	84	0	120	120	0
Citicorp Investment Mgmt.	132	84	0	88	88	0
Aetna Life and Casualty	118	118	0	196	149	47
Nat'l Bank of Detroit	113	113	0	87	87	0
MacKay-Shields Financial	100	0	100	50	0	50
Griffin Group	81	0	81	65	0	65
Western Asset Mgmt.	65	0	65	25	0	25
Seafirst Bank	60	0	60	60	0	60
Putnam Advisory	50	0	50	40	0	40
Bank of New York	48	0	48	40	0	40
Gateway Investment	38	38	0	35	35	0
Trident Investment Mgmt.	33	0	0	22	22	0
General American Life	31	31	0	58	30	28
Mercantile Trust	30	30	0	25	25	0
C&S Investment Advisors	13	11	0	0	0	0
First Asset Mgmt.	3	3	0	55	2	54
Total	**124,958**	**101,467**	**19,607**	**78,644**	**66,849**	**11,795**

* Includes indexing other than pure equity or fixed-income

Source: *Pensions & Investment Age*

Harvard fund goes full tilt

By Joel Chernoff

BOSTON — Harvard Management Corp.'s "index" fund is not an index fund.

"It's a misnomer," acknowledged Walter M. Cabot, president of the company that manages Harvard University's $3.7 billion endowment. "By definition, it's a skewed product."

Nor is the $600 million core equity portfolio "passively managed," as usually described in the investment world.

Instead, Harvard — among a growing number of "index fund" adherents — actively manages its asset allocation decisions through use of the fund, tilting either toward large- or small-capitalization stocks, shifting its mix from stocks to futures or some combination of both, and reducing assets in the fund when Harvard's managers are uncertain which way the market will turn.

"We tinker with it . . . all the time," Mr. Cabot said.

Harvard uses the index fund as "a kind of core or anchor" for its equity portfolio, he said. But it is a flexible core: In theory, Harvard managers can invest anywhere from zero to 100% of its equity assets in the fund.

In practice, the fund managers have invested from 25% to a little more than 50% of the fund's equity assets in the indexed product. Currently, most of their other major equity strategies are outperforming the Standard & Poor's 500 stock index, leading Harvard

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DYNAMIC VALUE PORTFOLIOS

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Mobil's homes... Some 100,000 people on two continents now live in communities built by **Mobil Land Development Corp.** (MLDC) and other Mobil Corp. affiliates. That's roughly equivalent to a city the size of Allentown or Reno, and it makes MLDC one of the nation's major real estate developers—with 20 properties now held in the Southern, Midwestern and Western U.S. More than 9 million square feet of commercial space has been built or is under development on land master-planned by MLDC. Bottom line: MLDC's **earnings from operations more than doubled** between 1983 and 1985, and this doesn't even include bulk sales of acreage.

"Beautiful confidence"... is the meaning of **Mei Foo**, the name of a Hong Kong community of 13,000 condominiums we launched in 1966. It's thought still to be among the largest such projects privately built anywhere. Best of all, Mei Foo **profits** provided the sole source of seed money and capital for all of MLDC's projects.

Bank on it... MLDC has accumulated a **"land bank"** worth many millions of dollars—**another source of income.** Last year, for example, MLDC sold 80% of its 25,500-acre Banning-Lewis Ranch near Colorado Springs for $93 million—several times what it paid for the entire spread in 1981. After earlier land sales that brought in more than $22 million, MLDC is still left with 3,000 of the choicest acres for future development.

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PepsiCo pays off withdrawal liability

By Barry B. Burr

CHICAGO — PepsiCo Inc. paid the Central States Teamsters pension fund $26.1 million in withdrawal liability to comply with a court order pending the resolution of a dispute in connection with pulling employees out of the multiemployer retirement plan.

U.S. District Judge John Nordberg in Chicago ordered PepsiCo to make the interim payment. The judge left it up to arbitrators to determine PepsiCo's ultimate obligation to pay the liability.

Since 1984, PepsiCo has contested having to pay the withdrawal liability up-front while it sought to challenge any outstanding obligation to the multiemployer plan, according to a spokesman for the Purchase, N.Y.-based company.

But PepsiCo's appeal of Judge Nordberg's order in May was rejected July 11 by the 7th U.S. Circuit Court of Appeals, Chicago, forcing PepsiCo to make the interim payment.

"That money — the $26 million — has a rubber band attached to it, because it's going to come back to us," said Keith Anderson, PepsiCo's director of corporate communications.

"We're going to get that $26 million back, period. We're going to get all that money back."

Mr. Anderson said PepsiCo is arguing it owes nothing in withdrawal liability. He declined to comment further on the dispute. Other PepsiCo executives were unavailable.

Under a 1980 amendment to the Employee Retirement Income Security Act, an employer that quits a multiemployer plan must pay its share of the overall unfunded vested pension liability.

The Teamsters, Central States, Southeast and Southwest Areas Pension Fund initially sought in November 1983 $24.6 million in withdrawal liability, including principal and amortization, from PepsiCo. When the company refused to pay, the fund's trustees filed suit in January 1984 in District Court. The total amount sought now totals $33.5 million, which includes additional withdrawal liability from other PepsiCo employees leaving the fund and delinquent interest charges.

Along with the immediate $26.1 million payment, which a PepsiCo representative hand-delivered in a check to the Central States office July 14, Judge Nordberg ordered PepsiCo to pay the remaining $7.4 million in installments during the next three years.

PepsiCo's payment contrasts with the $37 million in pension expense it reported in 1985 for its company-sponsored defined benefit plans.

Nell Hennessy, an employee benefits attorney with Willkie Farr & Gallagher, Washington, who wasn't involved in the litigation, believed the payment was the largest withdrawal liability ever made.

From 1980 to 1984, according to the Central States fund, PepsiCo withdrew 4,000 employees, employed by six of its units and belonging to 63 Teamsters locals, from the multiemployer plan.

The units were: Frito-Lay Inc., Dallas; North American Van Lines Inc., Fort Wayne, Ind.; Lee Way Motor Freight Inc., Oklahoma City; Wilson Sporting Goods Co., River Grove, Ill.; Rolled Gold Foods; and Pepsi-Cola Metropolitan Bottling.

Pepsi since has sold off some of the units, now owning only Frito-Lay and Rolled Gold.

According to several ERISA attorneys not involved in the case, the 1980 amendment allows employers to contest any withdrawal liability in arbitration, only after first paying the obligation.

One attorney characterized the Central States trustees as "aggressively pursuing" employers for withdrawal liability.

The $7.3 billion fund is seeking a total of $602 million in withdrawal liability claims from 422 companies, including PepsiCo, according Michael J. Kelly, Central States executive assistant. Of the total, $383 million comes from companies under bankruptcy protection, while $219 million comes from firms not in bankruptcy filings.

Commenting on PepsiCo's payment, George W. Lehr, the fund's executive director, said, "This is a very significant and very positive development in litigation that has been going on for 2½ years.

"Although the recent court rulings do not fully conclude the PepsiCo dispute, they are a major positive step toward its ultimate resolution. They reinforce the statutory protection provided by Congress for the participants and beneficiaries of multiemployer plans."

Mr. Kelly said, "The law requires us to seek withdrawal liability when an employer withdraws. We don't have a choice. It's a fiduciary duty; the money is owed the fund.

"The purpose of that (1980) amendment was not to leave employers staying in the fund holding the bag."

The plan has about 10,000 employers contributing, he said.

The dispute still has to clear the arbitration stipulated in the ERISA amendment and Judge Nordberg has to rule on a number of issues raised by PepsiCo. ■

Corrections

- The vested funding status of **Armco Inc.** shown in the chart on page 16 of this issue is incorrect. The 1985 figure should be −$4.9 million and the 1984 figure, $40.5 million.
- **Fort Hill Investors Management Corp.** of Boston achieved a 10.4% compound annualized return on its equity investment for the Bergen Brunswig Corp. A June 23 article, relying on data supplied by the pension plan sponsor, reported a lower number.

After publication of the article, Bergen Brunswig referred inquiries about the data to a consultant retained by the company. The consultant declined to discuss the matter.

Pensions & Investment Age, after reviewing data supplied by Fort Hill, concluded the number in the article is incorrect.

- An article in the July 7 issue should have indicated trustees of the **United Mine Workers of America** 1985 Construction Workers Pension Trust picked money managers for the newly created pension fund.
- The current accounts section of *P&I Age*, published July 7, did not include the following information on hirings: **Arnhold & S. Bleichroeder International, Putnam International Advisors** and **SBC Portfolio Management International Inc.** were all hired by United Technologies Corp. to run up to $50 million each in international equities.

Opinion

Tough times ahead for savers

SOMETIMES IT ALMOST SEEMS as if Congress is deliberately sabotaging U.S. economic growth.

Though most experts agree that a key ingredient in Japan's conomic success has been its high savings rate encouraged y government policies, Congress seems intent on discourag- ng savings in this country.

Take, for example, the proposals in the new tax reform ills about to be reconciled by a congressional conference ommittee. The Senate bill would prevent employees covered y pension plans from making tax-deductible contributions o individual retirement accounts.

That proposal, if carried into law, must act as a deter- ent to savings, and studies that purport to show the money lowing into IRAs would have been saved even with the vailability of the IRA deduction fly in the face of common ense. People who believe that must believe taxes do not ffect people's behavior.

In addition, the Senate bill has a provision that will nhibit employees from making after-tax contributions to mployee benefit plans. The provision will, in effect, tax part of any voluntary after-tax contribution when withdrawn from the plan. At present, voluntary contributions can be withdrawn with incurring taxes as long as anything earned is left in the plan.

Another avenue for saving without facing a tax penalty is being closed.

Instead of taking the opportunity presented by the tax reform movement to encourage saving and discourage spending, Congress is adding to the disincentives to save.

It should have followed the Japanese's lead; they encourage savings by allowing interest earned to be tax free up to a considerable level, and discourage borrowing for consumption by not allowing interest payments to be deducted.

The Japanese clearly believe, and Congress apparently disbelieves, the old saying that if you want more of something you subsidize it and if you want less of something you tax it.

The evidence is clearly on the side of the Japanese, and if the Senate has its way, the United States will get less saving than it now has.

Overfunding becoming a memory

THE MUCH-ACCLAIMED overfunded status of the private pension system has evaporated.

Where perhaps two years ago experts estimated the private ension system as a whole was overfunded by as much as 300 billion, now the experts are estimating it is under- unded by $200 billion to $300 billion.

The decline in the funded status of pension funds is a esult of the decline in interest rates in the past two years. As nterest rates decreased, the present value of the liabilities f the pension funds increased.

The impact of the interest rate decline on the present alue of the liabilities more than offset the gain in mar- et value of fixed-income portfolios and the positive impact f the bull market on the market value of stock portfolios, ne experts say.

This lends support to those who argued corporations could not claim credit for the pension surpluses, that the surpluses resulted more from the high interest rates that were brought about by high inflation, than from brilliant investment practices.

Unfortunately, few of the companies that terminated pension funds to recoup the excess assets that resulted from inflation used part of the surplus to offset the impact of inflation on retirees.

Few acknowledged they were gaining at the retirees' expense.

Because the decline in interest rates will no doubt reduce the number of overfunded pension plans that companies would be tempted to terminate, it is clearly a positive development for the private pension system.

Letters to the editor

laims clarified

To the Editor: Richard Gilles- e's excellent May 26 article will elp focus attention on the signifi- nt changes I believe still are eded in order to assure a finan- ally sound program for insuring nsion benefits.

I would like to clarify the Pen- on Benefit Guaranty Corp.'s aims in bankruptcy because the ticle creates the impression ne of the PBGC's claims receive iority.

The PBGC files two types of aims in bankruptcy proceedings claims for unpaid contributions d claims for unfunded guaran- ed benefits.

Under the new law, as under ior law, the PBGC is entitled to iority for unpaid contributions at accrued either after the filing the bankruptcy petition or dur- g the 180 days before the filing, it these contribution claims dinarily are far less than the an's unfunded guaranteed bene- s.

Similarly, under the new law, as der prior law, the PBGC has tax iority, and in some cases admin- rative priority (which is higher an tax priority), for unfunded aranteed benefits up to 30% of e employer's net worth.

Unfortunately, 30% of net worth dinarily is far less than funded guaranteed benefits and en is zero.

Moreover, although priority ims are treated more favorably an general unsecured claims, ey are treated less favorably n secured claims, which often consume most or all of a debtor's estate.

The new law significantly increased the face amount of the PBGC's claims by imposing additional employer liability for the excess of 75% of unfunded guaranteed benefits over 30% of employer net worth.

Thus, even when net worth is small or zero, the PBGC will have a claim for 75% of unfunded guaranteed benefits.

The problem is that Congress did not extend the Employee Retirement Income Security Act's tax priority provision to the additional employer liability claim.

Therefore, this claim may be treated as a general unsecured claim and the PBGC may collect little, if anything, on it.

In order to protect the PBGC and assure that employers take their pension promises seriously, the new liability should be given a much higher priority.

The amount of the claim also should be increased to 100% from 75% of unfunded guaranteed benefits.

Kathleen P. Utgoff
Executive director
Pension Benefit Guaranty Corp.
Washington

Fund overlooked

To the Editor: *Pensions & Investments Age*'s recent mutual fund section overlooked the so-called "fund of funds," where consultants have packaged a fund of multiple managers to market to other financial institutions who in turn market to the pension sponsors.

Beyond the questioning of the so-called Chinese Wall delineating the consultants' interests, this approach distances even further the sponsor from his/her manager and at an even greater management fee.

H. Lowell Gates

BAIMCO ownership

To the Editor: Concerning your article "Manager Sets Pace in Equity" regarding BA Investment Management International Ltd., I would like to correct one fact.

BA Investment Management International Ltd. is a subsidiary of BA Investment Management Corp. — not of Bank America Corp. as stated in the article.

Thomas B. Kelley
Chairman, BAIMCO
Director, BAIMCO Ltd.
San Francisco

Beutel Goodman

To the Editor: Beutel Goodman Capital Management Ltd., Houston, was not included in the special directory of money managers published May 19.

Beutel Goodman is at 2030 Texas Commerce Tower, Houston, Texas 77002.

As of Jan. 1, total assets under management were $1.09 billion. Of that, $1.08 billion was tax-exempt.

An equity manager, Beutel Goodman seeks companies selling at a discount to their book or asset value or companies selling at a low relative price-earnings multiple, given their investment characteristics and forecasted earnings growth.

The asset mix Jan. 1 was 90% stocks and 10% cash.

There were 30 clients, representing corporate, foundation and government accounts.

Minimum account size for separate management is $10 million.

There are three portfolio managers and eight members of the research staff.

The firm follows 75 to 100 stocks closely and 300 to 400, generally. Eighty to 90% of the research is generated internally.

Clients include Pacific Gas & Electric, Hercules, Minnesota and New York State Teachers.

The firm is affiliated with Beutel Goodman & Co., Toronto, and Beutel Goodman International PLC, London.

Robert McFarland, principal, is chief investment officer.

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(Full credit to lead manager)

All Issues

U.S. market

	Firm	$ mil.	Issues
1.	Salomon Brothers	28,713.0	245
2.	First Boston	20,081.7	235
3.	Drexel Burnham	18,034.7	127
4.	Morgan Stanley	15,760.8	137
5.	Goldman, Sachs	14,965.0	139
6.	Merrill Lynch	13,828.6	154
7.	Shearson Lehman	8,059.2	107
8.	Kidder, Peabody	3,952.8	74
9.	Prudential-Bache	2,278.2	28
10.	PaineWebber	2,163.5	62
11.	Smith Barney	1,932.0	29
12.	Bear, Stearns	1,907.5	37
13.	Lazard Freres	1,681.9	9
14.	E.F. Hutton	1,663.3	26
15.	Dean Witter	1,344.5	24

Euromarket*

	Firm	$ mil.	Issues
1.	CSFB[1]	2,906.4	17
2.	Salomon Brothers	2,443.2	18
3.	Merrill Lynch	2,419.9	15
4.	Nomura Securities	2,039.3	14
5.	Morgan Stanley	1,276.5	7
6.	Daiwa Securities	999.9	7
7.	Morgan Guaranty	967.9	13
8.	Goldman, Sachs	953.5	6
9.	Nikko Securities[2]	940.3	7
10.	Banque Paribas	925.5	12
11.	Union Bank/Switz.	877.0	9
12.	Credit Suisse	741.0	5
13.	LTC Bank/Japan	713.0	6
14.	Shearson Lehman	671.1	6
15.	Deutsche Bank	483.4	3

Worldwide**

	Firm	$ mil.	Issues
1.	Nomura Securities	8,263.6	70
2.	CSFB[1]	7,802.9	55
3.	Deutsche Bank	7,682.2	49
4.	Daiwa Securities	4,988.6	51
5.	Salomon Brothers	4,887.8	32
6.	Banque Paribas	4,407.9	46
7.	Union Bank/Switz.	4,368.0	43
8.	Morgan Guaranty	4,356.1	36
9.	Nikko Securities[2]	3,663.8	34
10.	Morgan Stanley	3,450.9	34
11.	Merrill Lynch	3,220.8	25
12.	Yamaichi	2,287.4	29
13.	Swiss Bank	2,263.7	23
14.	S.G. Warburg	1,906.5	16
15.	Goldman, Sachs	1,862.8	14

Bond Issues

Straight debt

	Firm	$ mil.	Issues
1.	Salomon Brothers	23,899.9	195
2.	First Boston	18,449.5	211
3.	Drexel Burnham	13,645.3	64
4.	Morgan Stanley	12,346.5	97
5.	Goldman, Sachs	11,723.0	95
6.	Merrill Lynch	10,413.7	87
7.	Shearson Lehman	5,843.9	69
8.	Kidder Peabody	2,332.9	40
9.	PaineWebber	1,585.4	40
10	Bear, Stearns	1,460.5	24
11.	E.F. Hutton	1,237.8	13
12.	Smith Barney	1,181.9	10
13.	Dillon, Read	844.6	8
14.	Dean Witter	752.8	12
15.	Prudential-Bache	477.9	11

Convertible debt

	Firm	$ mil.	Issues
1.	Drexel Burnham	1,804.5	29
2.	First Boston	910.0	11
3.	Merrill Lynch	838.8	12
4.	Morgan Stanley	415.0	6
5.	Goldman, Sachs	385.0	7
6.	Kidder, Peabody	345.0	5
7.	Donaldson, Lufkin	302.0	6
8.	Shearson Lehman	295.0	5
9.	L.F. Rothschild	205.0	4
10.	Smith Barney	185.0	4
11.	Robinson-Humphrey	130.0	5
12.	Dean Witter	122.0	4
13.	Alex. Brown	115.0	3
14.	Montgomery Securities	100.0	1
15.	Dillon, Read	94.0	2

Junk bonds

	Firm	$ mil.	Issues
1.	Drexel Burnham	9,384.6	37
2.	Merrill Lynch	1,499.0	10
3.	Shearson Lehman	944.1	5
4.	First Boston	934.7	6
5.	E.F. Hutton	547.9	3
6.	Bear, Stearns	399.9	3
7.	Salomon Brothers	375.3	4
8.	Goldman, Sachs	373.9	5
9.	Morgan Stanley	314.6	5
10.	Prudential-Bache	314.2	3
11.	Kidder, Peabody	309.7	3
12.	Donaldson, Lufkin	157.1	3
13.	L.F. Rothschild	75.0	2
14.	PaineWebber	64.0	1
15.	Dillon, Read	45.0	1

Stock Issues

Common stock

	Firm	$ mil.	Issues
1.	Salomon Brothers	3,273.1	30
2.	Goldman, Sachs	2,103.9	27
3.	Merrill Lynch	2,036.1	47
4.	Morgan Stanley	1,998.7	18
5.	Prudential-Bache	1,725.3	16
6.	Shearson Lehman	1,497.7	27
7.	Lazard Freres	1,409.3	7
8.	Drexel Burnham	1,076.9	27
9.	Kidder, Peabody	899.9	24
10.	Smith Barney	615.1	15
11.	First Boston	529.7	10
12.	Alex. Brown	509.5	20
13.	PaineWebber	438.1	19
14.	Dean Witter	469.7	8
15.	Donaldson, Lufkin	463.5	16

Preferred stock

	Firm	$ mil.	Issues
1.	Drexel Burnham	1,508.0	7
2.	Salomon Brothers	1,455.0	18
3.	Morgan Stanley	1,000.0	16
4.	Goldman, Sachs	753.0	10
5.	Merrill Lynch	540.0	8
6.	Shearson Lehman	422.5	7
7.	First Boston	192.5	3
8.	Lazard Freres	125.0	1
9.	Alex. Brown	75.0	1
10.	E.F. Hutton	75.0	1
11.	Prudential-Bache	75.0	1
12.	Kidder, Peabody	50.0	2
13.	Jesup & Lamont	10.5	1
14.	Baer & Co.	9.0	1
15.	McKinley, Allsopp	8.0	1

IPOs

	Firm	$ mil.	Issues
1.	Prudential-Bache	1,476.3	6
2.	Lazard Freres	1,237.5	2
3.	Merrill Lynch	703.1	19
4.	Drexel Burnham	623.3	13
5.	Morgan Stanley	419.0	6
6.	Smith Barney	355.7	8
7.	Shearson Lehman	336.7	8
8.	PaineWebber	304.4	10
9.	Dean Witter	272.0	2
10.	Salomon Brothers	242.1	5
11.	Alex. Brown	234.2	10
12.	First Boston	219.7	4
13.	Donaldson, Lufkin	210.7	9
14.	Goldman, Sachs	194.9	4
15.	L.F. Rothschild	174.9	3

[1] Credit Suisse First Boston

[2] Europe

Source: IDD Information Services, N.Y.

* U.S. issuers only; also includes overseas offerings outside of Europe

** Includes U.S. and foreign issuers

ower rates elp issuers op '85 mark

By Marci Baker

EW YORK — Sparked by the sharp o in interest rates earlier this year, cor- ate issuers raised more money during first half of 1986 than they did in all of ord-breaking 1985.

ccording to IDD Information Services, . issuers raised $144.3 billion in the nestic markets during the six-month od, compared with $138.3 during the re 1985 calendar year.

he strong stock market, meanwhile, led rush of common equity issues. Cor- ations raised more than $23.3 billion in stock market during the first half, htly less than the $24.7 billion gen- ed in 1985, according to IDD.

alomon Brothers Inc. continued to dom- e the overall domestic underwriting ne in the United States, as lead man- for $28.7 billion of the total volume. First Boston Corp. followed, with a 1 billion market share.

rexel Burnham Lambert Inc., which ed fifth in 1985, moved to No. 3, largely the strength of its junk bond under- ing activities. A large portion of the billion credited to Drexel came from its manager role in such deals as the $2.5 on BCI Holdings Inc., Chicago, offering a $2.5 billion debt offering by Occi- tal Petroleum Corp., Los Angeles.

oldman, Sachs & Co. slipped to fifth e (from third in 1985), and Merrill ch Capital Markets lost its 1985 fourth e seat to Morgan Stanley & Co., which aged $15.8 billion in 137 issues in the half.

vestment bankers generated their mar- share in the first half largely through underwriting of straightforward bond es rather than through the introduc- of securities with esoteric features.

D's statistics showed new fixed-rate d offerings, excluding convertibles and rtgage-related deals, totaled $86.4 on in the first half of the year, up 11% n the $77.8 billion issued during all of 5. Floating rate new issues totaled only billion in the first six months vs. $7.3 on last year.

ebt issuers also continued to rely more onger term issues.

a breakdown of the fixed rate volume ength of maturity, longer term issues layed the greatest surge over 1985 ls. Issues with maturities of 11 years onger climbed to $37.6 billion, a 43.5% ease from the $26.2 billion reported in 5. Meanwhile, volume dropped mark- among issues due in three years or . There, first half volume totaled $8 on, down 21.6% from the $10.2 billion ed last year.

ow interest rates enabled issuers to money through cheap financings. Yet h of the new issue bond volume was erated to refinance older, higher coupon .

I. Du Pont de Nemours & Co., Wil- gton, Del., for example, made a rare to the domestic debt markets earlier year to raise $300 million in a 30-year carrying an 8.5% interest rate. It used of the proceeds to refinance outstand- lebt at more than 12%.

anufacturers Hanover Corp., New , used proceeds of two offerings total- $300 million to call in high-coupon of Manufacturers Hanover Overseas tal Corp. The new seven and 10-year es carried rates of 9.15% and 8⅞%, ectively. One Eurobond issue that was ed carried a 13% rate, said Dennis ary, senior vice president and finance tor for the corporation.

T Corp., New York, also issued its first debt deals since 1981 — $150 million -year securities paying 8⅜% and $100 on of seven-year notes with a 7⅞% est rate — in part to refinance outstanding issue carrying rates of 9.5% and 12⅝%, said Michael Ganz, vice president-associate treasurer.

Overall, corporations announced plans to redeem more than $19.2 billion in outstanding debt during the first half of the year, said Nancy Kimelman, an economist at Salomon Brothers. Just more than $9 billion of that came from utilities, where refinancing opportunities have been the greatest.

Ms. Kimelman and others on Wall Street think the high-water mark on corporate debt refunding has been reached. "Most corporations that have been inclined to refinance have already done so," said Greg Parseghian, vice president in fixed-income research at First Boston.

Meanwhile, issuers aren't presenting investors with non-call offerings as frequently as they were at the first of the year when fears over call risk were at their peak. Those issuers that are coming to market are finding investors less willing to give up yield in exchange for the call protection.

At the beginning of the year, corporations could shave 25 to 30 basis points from the interest cost of a new bond issue by attaching a non-call feature. "Now he's lucky if he gets 10 to 15 basis points," one banker noted.

Even so, investor concerns over call risk haven't dissipated. Heightened awareness that high-coupon bonds can be called, along with the surge in supply, are fueling the current wide spreads between corporate and Treasury issues. Spreads are expected to remain wide, so it will be somewhat more expensive to issue debt than it was earlier this year.

Supply is expected to remain heavy, although few expect volume in the second half to match that of the first half.

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Low interest rates . . .

Continued from page 14

Rates are still considerably lower than they were a year ago, and corporations are still looking to lock in cheap financing for existing, as well as future, financing needs, bankers said.

Indeed, Hospital Corp. of America, Nashville, Tenn., is inclined to do more plain vanilla financing before the year is out.

"We're under what we've budgeted for interest costs," said William McInnis, vice president of finance. "If the market cooperates, we would do another $200 million to $300 million in financing this year."

In the spring, Hospital Corp. raised $300 million in 10-year and 30-year bond offerings at 8% and 9%, respectively. Proceeds were used to reduce commercial paper, which now stands at $900 million.

On the equity side, a key contributor to the soaring volume was the rush of initial public offerings. At $8.8 billion, IPO volume hit a new high in the first half, compared with $8.6 billion for all of 1985.

Salomon took over the lead in the common equity arena in the first half, pushing Goldman, Sachs into second place.

Salomon led underwriters in 30 equity offerings totaling $3.3 billion, while Goldman ended the six-month period with 27 deals totaling $2.1 billion.

Merrill Lynch ranked third, managing just more than $2 billion, followed closely by Morgan Stanley, with slightly less than $2 billion.

The surprise in the equity rankings was Prudential-Bache Securities, which rose to fifth from 16th in 1985, a jump due to its lead in IPOs. Pru-Bache acted as lead underwriter on equity deals of $1.7 billion, including $1.5 billion in IPOs.

Lazard Freres & Co., buoyed by its lead-manager role in the $1.2 billion IPO by The Henley Group, was second in the IPO rankings.

With U.S. corporations focusing on the domestic markets, overseas financing was less active.

U.S. issuers raised $24.7 billion in public Eurobond and other foreign bond offerings during the first half of 1986, vs. $38.7 billion for all of last year, according to IDD. When foreign issuers were included in the tally, volume reached $103 billion, compared with $147.8 billion in 1985.

Credit Suisse First Boston took the top underwriting spot for overseas offerings by U.S. issuers, managing almost $3 billion. Salomon was second, with $2.4 billion.

Nomura Securities took the lead for Eurobond and other foreign bond offerings for all issuers. It was book manager for $8.3 billion of the total for the first half, while Credit Suisse First Boston, last year's front-runner, managed $7.8 billion.

Among other first half underwriting highlights were:

- All industry segments in the domestic arena displayed sizable gains, with industrial and utility companies exceeding 1985 financing levels. Industrial companies raised $60.8 billion vs. $55 billion in 1985. Utilities raised $18.4 billion, up from $13.6 billion last year. Finance companies raised the most capital in the first half — $62.7 billion — but fell short of 1985 financing volume by about $3 billion.
- Non-convertible debt volume climbed to $107.3 billion for the first half, up from $97.5 billion in 1985. Convertible debt volume totaled more than $7 billion vs. $7.4 billion last year.

Salomon led underwriters on non-convertible issues, capturing 22.3% of that market. First Boston ranked second, with 17.2%, and Drexel, third, with 12.7%.

Drexel took the lead in the convertible arena, managing 25.6% of the volume generated. It was followed by First Boston, 12.9%, and Merrill Lynch, 11.9%.

- High-yield bond volume grew to almost $16 billion, up from the $14.8 billion raised by non-investment grade issuers in all of 1985. Drexel captured just less than 60% of that market. Merrill Lynch, which ranked eighth last year, jumped to second, with 9.5%. Another big gainer in the first half was E.F. Hutton & Co. Inc., whose 3.5% market share placed it fifth in the rankings, up from 10th in 1985. Salomon, which placed second in 1985, fell to seventh place during the first half.
- Salomon led in the mortgage-related new issues market, where first-half volume of $21 billion exceeded the total for all of 1985 by about $1.2 billion. Salomon held the lead underwriting role underwriting a total of $7 billion. While First Boston managed $6.1 billion and Merrill Lynch, $1.9 billion.

In the biggest climb, Morgan Stanley moved to fourth from ninth, underwriting $1.2 billion.

- Total preferred stock volume in the first half was $6.6 billion, $5 billion of which represented straight preferred offerings and $1.6 billion convertible preferred issues. Issuers raised $8.6 billion in preferred stock deals during 1985.

The $1.2 billion preferred stock deal issued by Fox Television Studios put Drexel in front, with a 22.7% share of the market. Coming in a close second was Salomon, which captured 22% of the volume.

- Shearson Lehman Brothers Inc. witnessed an erosion of its dominance in the auction-rate preferred stock arena, which it pioneered two years ago. The firm placed fourth, underwriting $422.5 million of the $2.7 billion issued during the first half. Salomon was first, with $850 million, followed by Morgan Stanley, $730 million, and Goldman, Sachs, $475 million. ■

Biotech . . .

Continued from page 13

$5.25 in December.

Only three of 27 biotechnology stocks have posted declines in six months ended June 30, according to data prepared by L.F. Rothschild.

Commenting on price movements of stocks on the Rothschild list, analyst Teena L. Lerner said it was "an amazing performance — well in excess of the market even though the market was good."

Kidder, Peabody's list of 25 biotechnology stocks rose 88% in 1985 and 70% so far this year, said Mr. Drake.

But there are risks to investors. Many of the companies depend on contracts with large pharmaceutical firms, and few boast financial statements that show substantial profits.

Syntro, for example, suffered a 2 cent-per-share loss in 1985 and a 3-cent loss in 1984. Quidel posted a per share loss of $6.19 in 1985 and a $5.03 loss the previous year.

Genentech, the biggest firm in the industry, produced earnings of 18 cents per share in 1985. Genentech became the first biotechnology company to bring a product to market when, in 1985, it introduced Protropin, a human growth hormone used in the treatment of children who suffer from growth hormone deficiency.

In 1982, Genentech introduced the first recombinant-produced insulin, Humulin, under a licensing agreement with Eli Lilly.

Revenue from sales continues to be meager for many biotechnology companies.

Biotechnology companies also face the difficulties of coping with government regulation, the pros-

"I want to buy a home. *I don't care if it's a condo, townhouse, flat, studio, brick, wood, new, old … I just want to buy something that's mine, something I can point to and say, 'here, this is my home, I bought it, it's mine, want to come inside and see my kitchen?' And with one more raise, I can do it.*"

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Our continuing commitment to provide Americans with affordable mortgages is one reason why 60% of all Americans today do own their own homes, why for them the dream has been realized.

And why also in the last ten years, we've originated over $20 billion in mortgage loans. Why revenues, net income and dividends have more than doubled in the last five years.

And why L&N has not once missed or reduced a single quarterly dividend since our first one in 1971.

As long as Americans dream of owning their own home, Lomas & Nettleton will be there to make their dreams come true.

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Pension funds, balance sheets

Company	Total pension liabilities $ mil.	Vested benefits $ mil.	Fund assets $ mil.	Vested funding status $ mil. 1985	Vested funding status $ mil. 1984	Assumed rate of return (%) 1985	Assumed rate of return (%) 1984	Net worth $ mil.	1985 vested funding status as percentage of net worth	Pension assets as percentage of net worth	Corporate assets $ mil.	Pension assets as percentage of corporate assets	Pension expense $ mil.	Operating income $ mil.	Pension expense as percentage of adjusted operating income
Allied Signal	3,213.0	2,983.0	3,815.0A	832.0	208.0	8.0/9.0	8.0	5,611.0	14.3	65.7	13,271.0	28.7	150.0	895.0	14.4
Aluminum Co. of Amer.	2,116.5	1,939.4	2,034.6	95.2	68.4	8.3	9.8	3,241.9	2.9	62.8	6,353.6	32.0	148.4	261.2	36.2
Amerada Hess	79.7	75.6	151.1	75.5	73.5	9.0	9.0	2,228.3	3.4	6.8	6,219.5	2.4	0.8	981.7	0.1
American Brands	505.9	482.6	484.2	1.6	12.9	8.6	8.6	2,374.0	0.1	20.4	4,926.1	9.8	59.2	691.8	7.9
American Home	—	—	—	—	—	—	—	2,286.6	—	—	3,395.2	—	26.2	1,151.7	2.2
American Motors	685.7	596.9	353.3	−243.6	−383.2	9.6	7.0	149.2	−163.3	236.8	2,000.9	17.7	56.8	−47.0	M
Amoco	1,523.0	1,475.0	1,913.0	438.0	101.0	8.0	8.0	11,588.0	3.8	16.5	25,198.0	7.6	123.0	3,907.0	3.1
Anheuser-Busch	297.2	265.9	498.7	232.8	210.2	8.5	8.5	2,173.0	10.7	22.9	5,121.4	9.7	78.7	832.3	8.6
Archer Daniels	71.8	61.1	80.1	19.0	19.6	8.0	8.0	1,803.4	1.1	4.4	2,967.1	2.7	7.5	240.6	3.0
Armco	1,585.5	1,508.8	1,314.1A	−194.7	83.5	8.5/13.5	8.5/13.5	1,018.0	−19.1	129.1	3,293.3	39.9	84.9	127.1	M
Ashland Oil	259.8	239.2	522.6	283.4	255.5	9.7	8.9	929.4	30.5	56.2	3,927.6	13.3	4.6	336.5	1.3
AT&T Technologies	14,643.5	12,634.1	18,682.3	6,048.2	5,487.0	6.7	6.7	14,633.3	41.3	127.7	40,462.5	46.2	657.1	2,986.1	18.0
Atlantic Richfield	1,558.0	1,474.0	2,020.0	546.0	546.0	8.5	8.5	5,361.3	10.2	37.7	20,279.0	10.0	122.0	2,782.0	4.2
Bethlehem Steel	3,460.0	3,347.7	2,314.8	−1,032.9	−976.7	10.0/14.3	8.0/14.3	786.3	−131.4	294.4	4,742.6	48.8	197.8	5,200.0	3.7
Boeing	2,788.0	2,547.0	3,971.0	1,424.0	801.0	8.5	8.5	4,364.0	32.6	91.0	9,246.0	42.9	205.0	583.0	26.0
Borden	252.6	234.5	306.9	72.4	67.4	7.8/11.1	8.3	1,407.3	5.1	21.8	2,932.2	10.5	14.8X	373.3	3.8
Borg Warner	417.9	400.9	455.7	54.8	36.4	9.0	9.0	1,649.6	3.3	27.6	2,822.6	16.1	45.4	297.1	13.3
Bristol Myers	292.0	253.0	477.7	224.7	196.1	9.8	8.5	2,442.7	9.2	19.6	3,721.2	12.8	13.7	757.1	1.8
Burroughs	568.9	545.3	760.8	215.5	119.7	9.3	9.0	2,492.4	8.6	30.5	4,556.4	16.7	40.0	427.0	8.6
Campbell Soup	279.1	268.7	344.8	76.1	120.5	9.0	9.0	1,382.5	5.5	24.9	2,437.5	14.1	23.6	365.8	6.1
Caterpillar	2,326.0	2,202.0	3,033.0	831.0	393.0	9.0/10.7	7.5/9.0	3,068.0	27.1	98.9	6,016.0	50.4	60.0	302.0	16.6
Champion Int'l.	704.4	643.5	747.1	103.6	134.8	9.3	9.0	2,422.9	4.3	30.8	6,098.1	12.3	43.2	363.8	10.6
Chevron	2,966.0	2,823.0	3,741.0	918.0	771.0	8.0	8.0	15,554.0	5.9	24.1	38,899.0	9.6	181.0	4,587.0	3.8
Chrysler	4,110.5	3,502.1	2,920.6A	−581.5	−344.7	10.0	9.0	4,215.3	−13.8	69.3	12,605.3	23.2	219.8X	1,947.3	10.1
Coastal Corp.	242.5	220.3	371.5	151.2	72.2	8.0	8.0	637.4	23.7	58.3	8,294.3	4.5	23.9	632.6	3.6
Coca-Cola Co.	261.5	236.9	351.3	114.4	116.8	9.0	9.0	2,979.1	3.8	11.8	6,897.7	5.1	42.0	1,045.4	3.9
Colgate-Palmolive	503.8	479.3	676.5	197.2	191.7	8.7	8.5	894.5	22.0	75.6	2,814.0	24.0	14.1X	276.8	4.8
Con Agra	82.0	68.6	98.1	29.5	26.3	8.0	8.0	458.3	6.4	21.4	1,547.1	6.3	9.6	193.9	4.7
CPC Int'l.	267.5	253.8	246.0	−7.8	−36.7	8.0	8.0	1,371.9	−0.6	17.9	3,016.6	8.2	30.8	349.6	8.1
Dana Corp.*	730.0	680.5	669.3	−11.2	−9.1	8.0/9.0	8.0/9.0	1,194.8	−0.9	56.0	2,424.3	27.6	43.2	373.9	10.4
Dart & Kraft	752.1	718.1	1,063.3	345.2	385.8	8.0	8.0	2,880.2	12.0	36.9	5,501.8	19.3	24.4	870.6	2.7
Deere & Co.	1,540.0	1,460.0	1,695.0	235.0	365.0	9.0	9.0	2,258.6	10.4	75.0	5,462.2	31.0	79.0	−25.2	M
Diamond Shamrock	140.0	136.3	192.2	55.9	16.6	9.5	9.5	1,483.1	3.8	13.0	4,618.0	4.2	14.7	438.2	3.2
Digital Equipment	196.6	158.4	461.6	303.2	256.6	6.0	6.0	4,554.6	6.7	10.1	6,368.9	7.2	114.1	449.8	20.2
Dow Chemical	1,596.0	1,446.0	1,654.0	208.0	124.0	8.0	8.0	4,792.0	4.3	34.5	11,830.0	14.0	150.0	637.0	19.1
Dresser Industries	697.3	624.1	874.2	250.1	194.9	8.8	8.8	1,646.2	15.2	53.1	3,224.5	27.1	28.9	103.6	21.8
Du Pont (G)	5,754.0	5,631.0	8,359.0	2,728.0	2,665.0	9.4	9.4	12,391.8	22.0	67.5	25,140.0	33.2	−52.0X	3,725.0	−1.4
Eastman Kodak	2,867.0	2,819.0	4,039.0	1,220.0	1,341.0	9.0	9.0	6,562.0	20.4	61.6	12,142.0	33.3	104.0	1,124.0	8.5
Emerson Electric	248.7	215.7	403.0	187.3	162.8	9.2	8.8	2,222.2	7.3	18.1	3,256.8	12.4	31.5	739.5	4.1
Exxon (G)	5,458.0	5,099.0	8,985.0	3,886.0	2,920.0	9.8	9.9	29,096.0	13.4	30.9	69,160.0	13.0	−93.0X	10,123.0	−0.9
Firestone Tire*	465.0	443.0	367.0	−76.0	167.0	11.2	11.0	1,163.0	−6.5	31.6	252.8	145.2	24.0	79.0	23.3
Ford Motor	10,970.0	9,180.0	10,620.0	1,440.0	−220.0	8.0	8.0	12,030.6	12.0	88.3	31,365.6	33.9	538.6	2,729.7	16.5
General Dynamics	1,668.4	1,564.6	1,992.7	428.1	379.1	8.0	7.0	1,335.8	32.0	149.2	4,448.1	44.8	106.7	668.0	13.8
General Electric	9,508.0	8,764.0	14,727.0	5,963.0	3,364.0	8.0/13.4	7.5/13.4	13,904.0	42.9	105.9	26,432.0	55.7	496.0	2,935.0	14.5
General Foods	965.2	911.4	1,426.1	514.7	563.7	7.5	7.5	1,940.2	26.5	73.5	4,553.7	31.3	56.2X	625.4	8.2
General Mills	352.0	318.0	456.0	138.0	133.0	4.0/9.8	4.0/9.5	1,023.3	13.5	44.6	2,662.6	17.1	39.2	331.9	10.6
General Motors	26,742.4	23,368.5	25,485.7	2,117.2	149.2	8.5/8.8	8.3/10.3	25,949.2	8.2	98.2	63,642.6	40.0	1,674.8	4,214.4	28.4
Georgia-Pacific	283.0	260.0	386.0	126.0	43.0	7.5	7.5	2,147.0	5.9	18.0	4,866.0	7.9	35.0	422.0	7.7
Goodyear Tire	2,079.2	1,922.6	2,250.5	327.9	309.9	8.0	8.5	3,507.4	9.3	64.2	6,953.5	32.4	65.6	480.4	12.0
Grace (W.R.)	301.5	288.1	560.0	271.9	192.9	7.1	7.1	2,404.5	11.3	23.3	5,420.9	10.3	19.0	215.0	8.1

Definitions

Total pension liabilities:
The actuarial present value of benefits promised to all past and present employees based on service already performed.

Vested benefits:
The present value of all benefits accrued by employees who have worked long enough with the company to have a legal right to the benefits.

Fund assets:
The market value of the assets that have been set aside to fund pension benefit payments.

Vested funding status:
Fund assets minus vested benefits. Overfunded plans have a positive status; plans with an unfunded vested liability have a negative status.

Assumed rate of return:
The weighted average interest rate the company's actuary uses in deriving the present value of total pension benefits.

Net worth:
The amount of equity available for stockholders as shown on the company's balance sheet.

Adjusted operating income:
Operating income plus pension expense.

and income statements: 1985 (See related story — page 3)

Company	Total pension liabilities $ mil.	Vested benefits $ mil.	Fund assets $ mil.	Vested funding status $ mil. 1985	Vested funding status $ mil. 1984	Assumed rate of return (%) 1985	Assumed rate of return (%) 1984	Net worth $ mil.	1985 vested funding status as percentage of net worth	Pension assets as percentage of net worth	Corporate assets $ mil.	Pension assets as percentage of corporate assets	Pension expense $ mil.	Operating income $ mil.	Pension expense as percentage of adjusted operating income
Heinz (H.J)	214.2	179.7	246.0	66.3	59.7	9.0	9.0	1,225.7	5.4	20.1	2,473.8	9.9	30.8	491.5	5.9
Hewlett-Packard	725.0	554.0	896.0	342.0	304.0	8.0	8.0	3,982.0	8.6	22.5	5,680.0	15.8	86.0	758.0	10.2
Honeywell	1,203.0	1,041.3	1,400.0	358.7	199.1	8.5/14.5	8.0/14.5	2,566.9	14.0	54.5	5,033.7	27.8	103.9	454.3	18.6
IC Industries	364.8	340.9	435.8	94.9	82.8	9.0	8.0	1,638.6	5.8	26.6	4,818.4	9.0	22.2X	421.1	5.0
Int'l. Bus. Machines	7,383.0	7,064.0	14,842.0	7,778.0	4,428.0	6.0/8.0	5.5/7.5	31,990.0	24.3	46.4	52,634.0	28.2	868.0	11,230.0	7.2
Int'l. Paper	899.0	845.0	1,177.0	332.0	223.0	8.5	8.0	3,195.0	10.4	36.8	6,039.0	19.5	4.0	207.0	1.9
ITT	1,995.9	1,819.3	2,105.1	285.8	343.1	9.0	9.0	5,848.9	4.9	36.0	14,272.5	14.7	152.0	563.6	21.2
Johnson & Johnson (G)	417.4	388.8	801.0	412.2	284.9	8.5	8.0/8.5	3,350.9	12.3	23.9	5,095.1	15.7	51.6	840.0	5.8
Kimberly Clark	459.8	445.2	545.2	100.0	128.9	NA	NA	1,743.9	5.7	31.3	3,503.8	15.6	29.1	486.3	5.6
Litton Ind.	613.0	594.0	NA	NA	NA	7.0	7.0	931.1	——	——	4,646.3	——	40.3X	409.6	9.0
Lockheed Corp.	2,790.0	2,684.0	3,905.0	1,221.0	846.0	7.9	8.5	1,511.0	80.8	258.4	4,184.0	93.3	159.0	733.0	17.8
LTV	3,443.9	3,216.6	2,978.2	−238.4	−236.4	10.0	10.0	364.3	−65.4	817.5	6,306.7	47.2	184.8	−119.3	M
Martin Marietta	1,108.0	980.0	1,398.0	418.0	361.0	4.0/9.3	4.0/10.5	708.0	59.0	197.5	2,258.1	61.9	90.8	293.7	23.6
McDonnell Douglas	2,295.0	2,001.7	3,211.0	1,209.3	1,282.3	8.0	8.0	2,634.6	45.9	121.9	7,268.4	44.2	173.3	448.3	27.9
3M	1,031.0	780.0	1,400.0	620.0	506.0	8.5	8.0	4,008.0	15.5	34.9	6,593.0	21.2	61.0	1,150.0	5.0
Mobil	2,133.0	2,071.0	3,236.0	1,165.0	889.0	9.0	9.0	14,089.0	8.3	23.0	41,752.0	7.8	190.0	5,344.0	3.4
Monsanto	2,148.0	1,994.0	2,672.0	678.0	520.0	8.5	7.5	3,407.0	19.9	78.4	8,877.0	30.1	85.0	351.0	19.5
Motorola	136.0	120.0	286.0	166.0	164.0	8.0	7.0	2,284.0	7.3	12.5	4,370.0	6.5	0.0	121.0	0.0
NCR	891.1	821.6	1,353.3	531.7	302.3	8.3	8.1	2,318.3	22.9	58.4	3,939.8	34.3	50.7X	540.0	8.6
North Amer. Phillips	365.6	327.9	642.9	315.0	317.4	9.0	9.0	1,050.6	30.0	61.2	2,643.0	24.3	32.5	198.1	14.1
Northrop	862.9	725.1	1,210.6	485.5	444.1	6.0	6.0	899.0	54.0	134.7	2,332.7	51.9	135.8	307.8	30.8
Occidental Petroleum	126.1	122.2	140.0	17.8	25.8	8.0	8.0	2,947.6	0.6	4.7	11,585.9	1.2	4.0	1,038.1	0.4
PPG Industries	813.8	785.6	921.2	135.6	57.2	9.0	9.0	1,705.3	8.0	54.0	4,083.8	22.6	15.0	557.7	2.6
Pepsico	390.3	303.3	469.0	165.7	164.6	7.0	7.0	1,837.7	9.0	25.5	5,861.2	8.0	37.0	737.1	4.8
Pfizer	391.2	363.8	422.3	58.5	98.0	7.5	7.5	2,927.3	2.0	14.4	4,462.9	9.5	46.9	880.0	5.3
Philip Morris	1,654.0	1,562.0	2,361.0	799.0	291.0	7.5	7.5	4,737.0	16.9	49.8	17,429.0	13.5	100.0	2,714.0	3.6
Phillips Petroleum (G)	727.0	688.0	1,454.0	766.0	787.0	9.3	8.0	1,644.0	46.6	88.4	14,045.0	10.4	−53.0	2,455.0	−2.2
Pillsbury	181.5	163.5	298.2	134.7	90.8	9.0/15.3	8.0/15.3	1,165.4	11.6	25.6	2,778.5	10.7	7.8	393.2	1.9
Procter & Gamble (B)	——	——	——	——	——	——	——	5,272.0	——	——	9,683.0	——	——	976.0	——
RJR-Nabisco	1,534.0	1,331.0	1,856.0	525.0	420.0	8.5	8.0	4,796.0	10.9	38.7	16,930.0	11.0	81.0	2,163.0	3.6
Ralston Purina	381.2	341.4	541.4	200.0	229.5	8.0	6.0	924.5	21.6	58.6	2,637.3	20.5	60.0	594.2	9.2
Raytheon Co.	1,029.9	967.2	1,151.5	184.3	228.9	7.0	7.0	1,929.0	9.6	59.7	3,441.0	33.5	81.8	490.6	14.3
Rockwell Int'l.	3,740.0	3,320.0	4,469.0	1,149.0	1,230.0	8.0	8.0	2,931.8	39.2	152.4	7,332.8	60.9	177.7	1,028.6	14.7
Sara Lee Corp.	177.7	147.6	217.8	70.2	61.0	8.5	7.0	991.0	7.1	22.0	3,215.8	6.8	22.3	394.1	5.4
Shell Oil (G)	1,882.0	1,684.0	2,549.0	865.0	592.0	8.8	9.5	14,129.0	6.1	18.0	26,528.0	9.6	24.0	4,013.0	0.6
Sperry Corp.	1,019.1	942.7	1,463.4	520.7	385.0	8.0	8.0	3,001.1	17.4	48.8	5,773.4	25.3	52.9	460.9	10.3
Std. Oil (Ohio)	923.0	854.0	1,116.0	262.0	360.0	8.0/13.0	8.0/13.0	8,018.0	3.3	13.9	18,330.0	6.1	148.0	2,874.0	4.9
Sun Company	1,092.0	1,011.0	1,344.0	333.0	404.0	9.5	9.5	5,240.0	6.4	25.6	12,923.0	10.4	83.0	927.0	8.2
Tenneco	979.0	883.0	1,191.0	308.0	261.0	7.6	7.6	5,903.0	5.2	20.2	20,437.0	5.8	107.0	1,318.0	7.5
Texaco	940.0	826.0	1,333.0	507.0	714.0	9.0	8.2	13,628.0	3.7	9.8	37,703.0	3.5	171.0	3,991.0	4.1
Texas Instruments	382.3	319.7	577.6	257.9	275.4	6.0	6.0	1,427.7	18.1	40.5	3,076.1	18.8	64.2	−27.8	M
Textron	1,132.8	1,047.7	1,347.9	300.2	146.2	8.2	7.8	1,585.0	18.9	85.0	4,337.4	31.1	41.0	291.5	12.3
TRW Inc.	1,106.1	1,018.2	1,698.3	680.1	392.7	8.5/10.0	8.5	985.9	39.8	172.3	3,735.4	45.5	72.6	403.0	15.3
U.S. Steel	7,457.0	7,177.0	9,386.0	2,209.0	789.0	9.0	9.0	5,405.0	40.9	173.7	18,446.0	50.9	92.0	1,347.0	6.4
Union Carbide	1,765.0	1,644.0	2,720.0	1,076.0	892.0	9.3	9.0	4,019.0	26.8	67.7	10,581.0	25.7	104.0X	591.0	15.0
United Technologies	2,895.4	2,679.0	3,892.1	1,213.1	1,139.0	8.3	7.8	3,845.5	31.5	101.2	10,528.1	37.0	212.2	1,178.5	15.3
Unocal	662.0	601.0	999.0	398.0	188.0	7.0	7.0	1,630.0	24.4	61.3	10,797.0	9.3	49.0	822.0	5.6
Westinghouse	3,528.2	3,183.9	3,579.2	395.3	376.2	8.3/12.3	8.3/12.3	3,234.7	12.2	110.7	9,681.6	37.0	117.0	742.1	13.6
Weyerhaeuser	467.7	452.2	570.2	118.0	99.8	10.5	9.5	2,794.5	4.2	20.4	6,005.3	9.5	32.4	271.6	10.7
Xerox Corp.	1,283.6	1,277.9	1,372.4	94.5	91.1	8.5	8.0	4,386.2	2.2	31.3	9,816.7	14.0	136.4	652.9	17.3

Operating income:
Income derived from actual operations of the company.

Pension expense:
The amount charged against income to fund benefit payments in a given year.

Corporate assets:
The value of all corporate assets, as shown on the balance sheet.

Vested funding status as a percentage of net worth:
A comparison of the vested funding status, either positive or negative, to a compsny's net worth.

Notes:

A — Includes assets the company owes but has not contributed to the plan.

B — Procter & Gamble has a profit-sharing plan and no defined benefit plan.

G — Company elected early adoption of FASB 87 and/or FASB 88.

M — Pension statistics as percentages of either a negative net income or negative operating profit are meaningless.

X — Includes Canadian or overseas plans.

* — Agway and Farmland Industries have been withdrawn from this list. Firestone Tire & Rubber and Dana Corp. were substituted.

Source: Wright Investors' Service, Bridgeport, Conn.

THIS YEAR'S CASH MANAGEMENT DIRECTORY profiles 260 organizations in seven categories. The profiles feature:

- 141 U.S. and Canadian banks (pages CM8 and CM27);
- 38 national and regional associations in the United States and Canada (pages CM20 and CM27);
- 18 service providers (page CM20);
- 17 treasury workstation vendors (page CM26);
- 27 short-term investment managers (page CM22);
- 11 data base suppliers (page CM24); and
- 8 microcomputer software firms (page CM25).

Among the highlights in the directory's profiles are:

- Of the short-term investment managers that run corporate working cash, 13 offer hedge, arbitrage and other strategies involving options or futures or both.

Seven short-term managers invest in common stocks, an unusual investment for corporate cash.

- In terms of number of corporate cash clients, Capitoline Investment Services Inc. is the largest with 91. It runs $545 million.
- In terms of value, Chemical Bank is the largest with $2 billion. It has 17 clients.

Stories in this section

Commercial paper use increases CM28
Mobil picks 'farm team' CM29
Datebook CM29
Interest rates will fall CM30
Firms slow to pay electronically CM30
People CM31
Fee surveys help managers CM33
FASB backs cash flow statement CM34
MDU has three-tier program CM36

GM setting up network in lieu of using ACH

By Sheryl L. Cohen

NEW YORK — General Motors Corp. soon will begin paying its suppliers electronically by setting up its own payment network outside the automated clearinghouse system.

GM's plan would be the most extensive use by any company of electronic funds transfer for corporate trade payments, and it highlights shortcomings in the ACH.

GM plans to develop an electronic network, not just to transfer payments electronically as the ACH can do, but also to transmit a broad array of information to enhance a trade relationship.

The system would more closely integrate cash management with manufacturing, such as using an electronic inventory system that delivers parts for assembly just as they are needed, according to Ned Hill, associate professor of finance, Indiana University, Bloomington.

GM is working with its major banks to set up its own payment system to overcome shortcomings of the ACH, according to a number of sources.

At GM, Benson Woo, director of worldwide banking and U.S. cash manager, and Ted Hart, manager of banking, would only confirm they are working on an electronic payment system.

Mr. Woo said plans would be released in about three months.

"The GM preference is not to go through the ACH" because of a lack of control of payments, liability and the limited capability of the ACH to transmit a variety of information that would enhance trade relationships, a source said.

The GM situation illustrates a major problem of the ACH: getting corporations to use it for corporate trade payments.

The ACH, a 13-year-old nationwide system designed to replace paper checks with electronic funds transfer, now handles few corporate trade payments.

"The ACH is only a very small segment" of corporate payments, Mr. Hill said.

Last year, just 12,344 corporate trade payments were originated through the ACH system, according to the National Automated Clearing House Association, Washington. By contrast, the ACH handled the same year a total of 766 million electronic transactions, including 480 million private payments, many of which involved direct deposit of payroll or Social Security checks.

In 1984, the first year of electronic corporate trade payments, 2,689 CTP transactions were originated, compared with 599 million transactions (including 341 million private ones), for the entire ACH.

(The National Corporate Cash Management Association has a proposal to develop an alternative payment system. In its proposal, the NCCMA calls the current electronic system inadequate for large corporations, whose activities account for the major portion of money transfers in the payment system.

("A lot of the industry doesn't view the ACH as a viable payment system," said one banker who asked to remain unnamed.

("If the current environment is not altered, corporations will seek other alternatives" to the ACH.)

According to several sources, GM would set up a network of six or nine banks, with The First National Bank of Chicago as one of the main banks. First Chicago officials declined to comment.

To receive their payments, suppliers would have to have a depository account at one of the banks in the GM network, sources said. By sending directly to these banks, GM would avoid the ACH, which customarily transfers electronic payments from the originator's bank to the receiver's bank.

But GM's network of banks isn't interested in becoming involved simply to serve as a substitute ACH conduit of payments.

"Moving dollars is the least important activity in a trading relationship," a source said.

According to sources, the banks are interested in developing — for GM and other clients — the type of electronic information transfer system wanted by GM but not provided by the ACH. A GM system "will be a large blueprint for setting up a new payment system," a bank executive said.

With an electronic information capability, suppliers could monitor a buyer's inventory to service a client better.

As it was set up, "the ACH looked at facilitating the flow of funds between banks and not the cash management between corporations," a source remarked.

Savings with an electronic network results from shortening the length of time used in the entire communication process, such as electronically linking GM's suppliers with customers, Indiana University's Mr. Hill said.

By converting paper transmission to electronic communication, time and money are saved, he said. Companies, in general, could save between $25 and $100 per transaction by converting entirely from a paper-based system, he added.

GM could save between $200 and $300 per car by using such a system with suppliers, he said.

In addition, inventory costs could be reduced. "If you order electronically you don't have to keep as much inventory," he said.

Said another source: "It's their way of reducing their cost by what they call 'electronic data interchange' — what goes on between a company and its suppliers."

All information exchange has been by paper, creating a huge expense. "It's probably five or six iterations back and forth," he added. "All of that has taken place by paper and it's bloody expensive."

According to Mr. Hill, several companies are beginning to identify possible savings from an electronic payment and information system. But officials of many firms, not yet convinced of the worth, could be persuaded by implementation by large companies such as GM, he added.

Continued on page CM28

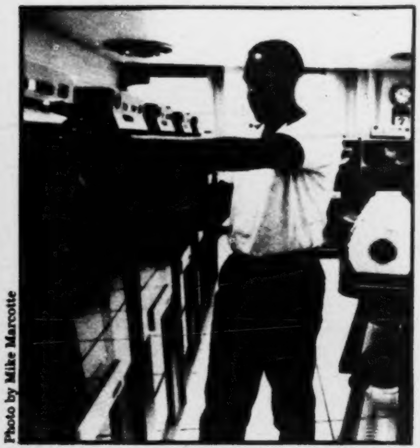
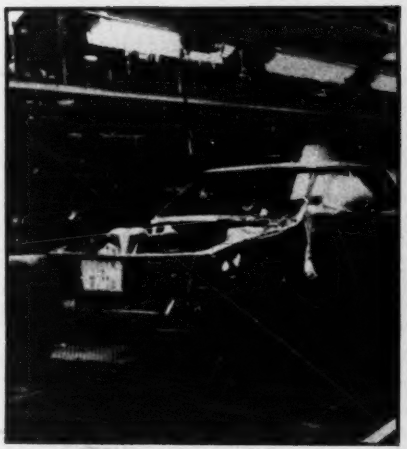


Photo by Mike Marcotte

While the 13-year-old automated clearinghouse system specializes in the electronic transfer of private payments . . .



. . .GM is devising a system that will transmit a broader array of information to enhance a trade relationship.

Guide to abbreviations for bank services charts*

Terminal-initiated W/Ts: On-line wire transfers.

Terminal-initiated com. ppr.: On-line printing and storage of commercial paper certificates.

Terminal-initiated stop pmts.: On-line stop payments on checks.

Electronic DTCs: Depository transfer checks.

Terminal-based ACH: On-line automated clearinghouse transactions.

Letters of credit: Commercial trade letters of credit.

Collections: Bank-messengered pickups of receipts.

Sweep: Deposits in non-interest earning account are swept into investment account.

* Charts begin on page CM8

Compensating balances being replaced

As corporations switch to cash payments, banks look to surcharges

By Barry B. Burr

Many corporations are only now switching to paying cash for their bank cash management service charges instead of non-interest-earning compensating balances, adding to the movement that has been swelling since the 1970s.

In response, some banks have been trying, apparently often without success, to impose surcharges on cash payments by corporate clients to discourage the withdrawal of compensating balances, which are easy sources of income.

At the same time, banks apparently haven't encouraged corporations to revert to balances by offering earnings credit rates more competitive with money market investment returns.

Despite the move to fees, most companies aren't abandoning their compensating balances entirely, mainly because of the impracticality of doing so. Executives noted, for instance, that the paperwork and monitoring required to transfer small balances to interest-bearing investments might cost more than the potential returns. So they leave those balances in non-interest accounts, and the banks apply the credit to cash management charges.

Nevertheless, the executives interviewed emphasized their main goal is to minimize their balances.

Traditionally, corporations had paid for cash management services through non-interest earning compensating balances. While the custom has changed in recent years, many companies still pay for some or all of their bank fees by balances. Corporations receive no interest for the balances, but banks impute an interest charge, known as the earnings credit rate, on the balances to compensate for charges. Banks would profit from the spread between the earnings credit balance, which is below market rates, and the rate at which they actually invested the money.

One of the latest to switch from compensating balances is Hilton Hotels Corp., Beverly Hills, Calif. "In the past we used compensating balances," said Richard H. Chambers, assistant treasurer. "But we're now beginning to pay with hard dollars."

Hilton has been moving to the new payment method in the past six months, since Mr. Chambers took over the position.

It plans to pull out about $6 million in balances. Mr. Chambers estimates the annual investment opportunity cost at about $500,000.

Consolidated Edison Co. of New York has moved a majority of its

Continued on page CM36

BANK SERVICES

a - Automated and manual wholesale lockboxing
b - Reports by 10:30 EST
c - See profile for additional information
d - Ability to receive corporate trade payments only
e - Documentary collections
f - Overseas lockbox collections. See profile for locations

g - Both documentary collections and overseas lockboxes
h - Both multi-tiered and regular zero balance accounts
i - Mail intercept facility
x - Terminal-based letters of credit

Glossary of abbreviations - p. CM1

	Lockboxing — retail	Lockboxing — wholesale	Lockboxing — other	Disbursement — controlled	Disbursement — delayed funding	Presentment points	Terminal balance reporting	Terminal-initiated W/Ts	Terminal-initiated com. ppr.	Terminal-initiated stop pmts.	Other communications	Electronic DTCs	Terminal-based ACH	Direct deposit	Pre-authorized debits	Corporate trade payments	Letters of credit	Collections	Foreign exchange trading	Foreign exchange advisory	Multi-lateral netting	Lockbox/disbursement studies	Other consulting	Stand-alone consulting	Sweep	Separate management	Zero balance accounts	Payable-thru drafts	Account reconciliation	Treasury workstation	Other
ALABAMA																															
AmSouth Bank	✓	a		✓			✓				c	✓	c	✓	✓		✓		✓			c			✓		h	✓	c		
ARIZONA																															
First Interstate Bank	✓	a	c				✓	✓		✓	c	✓	✓	✓	✓	✓	✓	e	✓	✓		c	c				✓	✓	c	c	c
CALIFORNIA																															
Bank of America		a	c	b			✓	✓	✓	✓	c	✓	✓	✓	✓	✓	x	g	✓	✓		c	c	✓			h	✓	✓	c	
First Interstate Bank	✓	a	c	b		3	✓	✓			c	✓		✓	✓	✓	x	e	✓	✓		c					✓	✓	c		
Security Pacific National Bank	✓	a	c	b		6	✓	✓		✓		✓	✓	✓	✓	✓	x	g	✓	✓		✓	c		✓		h	✓	c	c	c
Union Bank	✓	a		b		1	✓	✓				✓		✓	✓	✓	x	e	✓	✓	✓	c					✓	✓	c	c	
Wells Fargo Bank		✓	c	✓	✓	2	✓	✓				✓	✓	✓	✓	✓	x	e	✓	✓							h		c	c	
COLORADO																															
Central Bank of Denver	✓	a		b		5	✓				c	✓		✓	✓	✓	✓	e							✓		h	✓	c		
Colorado National Banks	✓	✓		b		2	✓	✓			c	✓	✓	✓	✓		✓	e	✓			c	c				h	✓	c		
First Interstate Bank	✓	a	c	b		6	✓	✓			c	✓		✓	✓		x	e	✓	✓		c					✓	✓	c	c	c
United Bank of Denver	✓	a	c	b	✓	4	✓	✓		✓	c	✓	✓	✓	✓	✓	x	e	✓	✓							✓	✓	c	c	
CONNECTICUT																															
Connecticut Bank & Trust Co.	✓	a	c	b			✓	✓		✓	c	✓		✓	✓	✓	✓	e	✓	✓		c			✓	c	h	✓	c		c
Connecticut National Bank	✓	✓	c	b	✓		✓	✓		✓	c	✓	✓	✓	✓	✓	✓	e	✓	✓		c			✓		✓	✓	c	c	c
DELAWARE																															
Bank of Delaware	✓	✓		b			✓	✓			c	✓		✓	✓	✓	✓	e	✓	✓		c			✓		h	✓	c		
Delaware Trust Co.		✓										✓		✓	✓		✓								✓		h		c		
Wilmington Trust Co.	✓	a		b			✓	✓		✓		✓		✓	✓		✓								✓	✓	✓	✓	c		
DISTRICT OF COLUMBIA																															
American Security Bank	✓	a		b			✓	✓			c	✓	✓	✓	✓		✓	e	✓	✓				✓	✓	c	h	✓	c	c	
Riggs National Bank	✓	✓	i	b			✓	✓			c	✓		✓	✓	✓	✓	e	✓		✓				✓		✓	✓	c		
FLORIDA																															
Barnett Bank	✓	a	c	b	✓	3	✓	✓			c	✓	✓	✓	✓	✓	✓	e	✓	✓	✓	c					h	✓	c	c	
First Florida Bank	✓	a		b	✓	3	✓	✓			c	✓	✓	✓	✓		✓	e	✓	✓					✓	c	h	✓	c	c	c
First Union National Bank	✓	✓	c	b		2	✓				c	✓	✓	✓	✓	✓	✓	e	✓	✓		c				✓	✓	✓	c	c	c
Florida National Bank	✓	✓		b			✓	✓			c	✓	✓	✓	✓	✓	✓	e	✓	✓					✓	✓	✓	✓	c	c	c
Southeast Bank	✓	a	c	b	✓	✓	✓	✓			c	✓	✓	✓	✓	✓	✓	e	✓								✓	✓	c	c	
Sun Banks Inc.	✓	✓	c	b		✓	✓	✓			c	✓	✓	✓	✓	d	✓	e	✓			c			✓	✓	h	✓	c	c	
GEORGIA																															
Citizens & Southern National Bank	✓	a	c	b	✓	2	✓	✓		✓	c	✓	✓	✓	✓	✓	x	e				c		✓	✓		h	✓	c	c	c
Trust Co. Bank		✓		b	✓	2	✓	✓		✓	c	✓	✓	✓	✓	✓	✓	g	✓	✓		c			✓	✓	✓	✓	c	c	c
HAWAII																															
Bank of Hawaii	✓	✓	c				✓	✓			c			✓	✓	✓	✓	e	✓								h	✓	c		
IDAHO																															
Idaho First National Bank		✓		✓			✓				c			✓	✓		✓	e	✓	✓		✓			✓		✓	✓	c		c
ILLINOIS																															
ABN/LaSalle	✓	a		b	✓		✓	✓			c	✓	✓	✓	✓	✓	✓	g	✓	✓	✓	c	c		✓		✓	✓	c	c	c
Continental Illinois Bank	✓	✓	i	b			✓	✓		✓	c	✓	✓	✓	✓	✓	x	e	✓	✓	✓	c	c	✓	✓	c	✓	✓	c		c
First Chicago		a	c	b	✓	4	✓	✓		✓	c	✓	✓	✓	✓	✓	x	e	✓	✓		✓	c	✓	✓	✓	h	✓	c	c	c

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Northern Trust Bank		a	i	b	✓		✓	✓		✓		✓	✓	✓	✓	✓	x	g	✓			c					h	✓	c		c
INDIANA																															
Indiana National Bank	✓	✓		b			✓				c	✓	✓	✓	✓	✓						c			✓		h	✓	✓		
Merchants National Bank & Trust Co.	✓	✓		b			✓	✓			c	✓		✓	✓	✓	✓	e									✓	✓	c	c	
IOWA																															
Norwest Bank Des Moines	✓	a		b		✓	✓				c	✓	✓	✓	✓	✓	✓	e	✓	✓							h	✓	✓		
KANSAS																															
Bank IV Wichita	✓	✓		b	✓		✓	✓			c	✓	✓	✓	✓		x	e	✓								h	✓	c		
KENTUCKY																															
First National Bank of Louisville	✓	✓	c	b	✓	2	✓	✓			c	✓	✓	✓	✓	✓	✓	e	✓	✓	✓	c			✓	✓	✓	✓	c	c	
Liberty National Bank	✓	✓		b	✓		✓	✓			c	✓	✓	✓	✓	✓	✓	e	✓			c			✓		✓	✓	c	c	
LOUISIANA																															
City National Bank of Baton Rouge	✓	✓		b	✓	2	✓				c	✓		✓	✓	✓						✓			✓		✓	✓	c		
MARYLAND																															
Equitable Bank	✓	✓		b	✓	2	✓	✓			c	✓	✓	✓	✓		✓	e	✓			c			✓	c	h	✓	c		
First National Bank of Maryland	✓	a	i/c	b		2	✓	✓			c	✓	✓	✓	✓	✓	✓	e	✓			c			✓		✓	✓	c	c	c
Sovran Bank	✓	a	i				✓				c	✓	✓	✓	✓	✓	✓	e	✓	✓		c		✓	✓	✓	h	✓	c		
MASSACHUSETTS																															
Bank of Boston		✓	c	b	✓		✓	✓			c	✓	✓	✓	✓	✓	x	g	✓	✓	✓	c					✓	✓	c		
Bank of New England	✓	a	c	b			✓	✓			c	✓		✓	✓		✓	e	✓	✓		c			✓		✓	✓	c	c	
Shawmut Bank	✓	a	i	b		3	✓				c	✓	✓	✓	✓	✓	✓	e	✓	✓		c					✓	✓	c	c	c
State Street Bank & Trust Co.		✓		b	✓		✓	✓			c	✓	✓	✓	✓	✓	x	e	✓	✓	✓	c			✓		h	✓	c		
MICHIGAN																															
Comerica Bank-Detroit	✓	✓	c	✓			✓	✓			c	✓		✓	✓		✓	e				c					✓	✓	c	c	
First of America Bank-Detroit	✓	a		b								✓		✓	✓	✓	✓	e	✓	✓					✓		✓	✓	c		
Manufacturers National	✓	✓		b	✓	2	✓	✓			c	✓	✓	✓	✓	✓	x	g	✓	✓		c			✓		h	✓	c		c
Michigan National Corp.	✓	a		b			✓	✓			c	✓	✓	✓	✓		✓	e	✓			c				✓	✓	✓	c	c	
National Bank of Detroit	✓	a	i	b		3	✓	✓			c	✓	✓	✓	✓	✓	✓	e	✓	✓		c					✓	✓	c	c	
Old Kent Bank & Trust Co.	✓	✓		b	✓		✓					✓	✓	✓	✓		✓	e	✓	✓	✓						✓	✓	c		c
MINNESOTA																															
First Bank Minneapolis	✓	✓		b			✓	✓		✓	c	✓	✓	✓	✓	✓	x	e	✓			c					h	✓	✓	c	
First Bank St. Paul	✓	✓		b			✓	✓			c	✓	✓	✓	✓	✓	x	e	✓			c					h	✓		c	
Marquette Bank Minneapolis		✓		✓		2	✓	✓		✓	c	✓		✓	✓		✓								✓		✓	✓	c		
Norwest Bank Minneapolis	✓	✓	✓	b	✓	15	✓	✓				✓	✓	✓	✓	d	x	g	✓	✓		c					✓	✓	c		
Norwest Bank St. Paul	✓	✓	c	b	✓	15	✓					✓	✓	✓	✓	d	✓	g	✓	✓		c					✓	✓	c		
MISSISSIPPI																															
Deposit Guaranty National Bank		✓		b	✓	2	✓				c		✓	✓	✓		✓	e	✓			c					✓	✓	c		
MISSOURI																															
Boatmen's National Bank of St. Louis	✓	a	c	b		2	✓	✓		✓	c	✓	✓	✓	✓		✓	e	✓	✓		✓					h	✓	c	c	c
Centerre Bank	✓	a	c	b	✓	3	✓	✓				✓	✓	✓	✓	✓	x	e				c			✓		h	✓	✓	c	
Commerce Bank of Kansas City	✓	✓		b		✓	✓	✓			c	✓	✓	✓	d		✓	e	✓			c					✓	✓	c		
Mercantile Bank	✓	a		c		11	✓	✓			c	✓	✓	✓	✓	✓	x	e	✓			c	c		✓		h	✓	c	c	
United Missouri Bank	✓	✓	c	b		3	✓	✓		✓	c	✓		✓	✓	✓	x	e	✓	✓		c	✓		✓	c	✓	✓	c	c	c

BANK SERVICES

a - Automated and manual wholesale lockboxing
b - Reports by 10:30 EST
c - See profile for additional information
d - Ability to receive corporate trade payments only
e - Documentary collections
f - Overseas lockbox collections. See profile for locations

g - Both documentary collections and overseas lockboxes
h - Both multi-tiered and regular zero balance accounts
i - Mail intercept facility
x - Terminal-based letters of credit

	Lockboxing — retail	Lockboxing — wholesale	Lockboxing — other	Disbursement — controlled	Disbursement — delayed funding	Presentment points	Terminal balance reporting	Terminal-initiated W/Ts	Terminal-initiated com. ppr.	Terminal-initiated stop pmts.	Other communications	Electronic DTCs	Terminal-based ACH	Direct deposit	Pre-authorized debits	Corporate trade payments	Letters of credit	Collections	Foreign exchange trading	Foreign exchange advisory	Multi-lateral netting	Lockbox/disbursement studies	Other consulting	Stand-alone consulting	Sweep	Separate management	Zero balance accounts	Payable-thru drafts	Account reconciliation	Treasury workstation	Other
MONTANA																															
Norwest Bank Billings		✓		✓		✓	✓					✓	✓	✓	✓	d	✓	e	✓	✓		c					✓	✓	c		
NEBRASKA																															
First National Bank of Omaha	✓	a		b		7	✓	✓		✓	c	✓		✓	✓	✓	✓	e	✓	✓		c			✓		✓	✓	c		
Norwest Bank Omaha	✓	✓		✓	✓	6	✓					✓	✓	✓	✓	✓	✓	e	✓	✓		✓					✓	✓	c		
NEW JERSEY																															
First Fidelity Bank	✓	a		b			c	✓		✓	c	✓	✓	✓	✓	✓	✓	e	✓	✓					✓		✓	✓	c		c
First Jersey National Bank		✓		✓										✓			✓								✓		h		c		
Midlantic Banks Inc.		a	c	b	✓	2	✓	✓			c	✓		✓	✓	✓	✓					c			✓	c	✓	✓	✓	c	c
United Jersey Bank		✓	c	b		1	✓	✓		✓	c	✓		✓	✓	✓	✓		✓			c					h	✓	c		
NEW MEXICO																															
First National Bank Albuquerque	✓	a		b		2	✓	c			c	✓	✓	✓	✓	✓	✓	e							c		✓	✓	✓		
NEW YORK																															
Bank of New York	✓	a	i/c	b	✓	3	✓	✓		✓		✓	✓	✓	✓	✓	✓	e	✓	✓		c			✓	c	h	✓	c	c	c
Chase Lincoln First Bank	✓	✓		b	✓		✓	✓			c	✓		✓	✓	✓	✓	e	✓	✓		c	c				✓	✓	c		c
Chase Manhattan Bank		✓		b			✓	✓	✓		c	✓	✓	✓	✓	✓	x	e	✓	✓	✓	c	c	✓			h	✓	c	c	
Chemical Bank	c	a	i/c	b	✓	1	✓	✓	✓	✓		✓	✓	✓	✓	✓	x	e	✓	✓						c	h	✓	c	c	
Citibank	✓	a		b		2	✓	✓	✓	✓	c	✓	✓	✓	✓	c	✓	e	✓	✓	✓	c	c		✓		h	✓	c	c	c
European American Bank	✓	✓					✓	✓				✓		✓	✓		✓	e	✓	✓							h	✓	c	c	c
Irving Trust		✓	c	b	✓		✓	✓	✓	✓		✓	✓	✓	✓	✓	x	e	✓	✓		c	c	✓		✓	✓	✓	c		
Key Bank	✓	a	i	b		12	✓					✓		✓	✓		✓	e	✓	✓						c	h	✓	c		
Manufacturers Hanover	✓	a	c	b	✓		✓	✓	✓	✓	c	✓	✓	✓	✓	✓	x	g	✓	✓	✓	c	c	✓	✓		h	✓	✓	c	
Manufacturers & Traders Trust Co.	✓	✓		✓			✓	✓			c			✓	✓	d	✓	e									✓	✓	c		
Morgan Guaranty Trust				b		1	✓	✓	✓	✓				✓	✓	✓	✓	e	✓	✓	✓	✓	c				h	✓	c		
National Westminster Bank	c	c	i/c	b			✓	✓			c	✓		✓	✓	✓	x	g	✓			c			c		h	✓	c	c	
NORTH CAROLINA																															
Branch Banking & Trust	✓	a		✓	✓		✓				c	✓	✓	✓	✓	✓	✓	e	✓	✓					✓	✓		✓	c	c	
irst Union National Bank		✓		b	✓		✓			✓	c	✓	✓	✓	✓	✓						c		✓	✓		✓		c	c	
irst Wachovia Corp.	✓	✓	c	b	✓	4	✓	✓		✓	c	✓	✓	✓	✓	✓	x	e	✓	✓		c	c	✓	✓		h	✓	c		c
CNB National Bank	✓	✓	c	b	✓	2	✓	✓		✓	c	✓	✓	✓	✓	✓	x	e	✓			c	c	✓	✓	c	✓	✓	c	c	c
HIO																															
meriTrust Co.	✓	✓	c	b	✓	1	✓	✓		✓	c	✓	✓	✓	✓	✓	x	e	✓			c				c	h	✓	c	c	
ancOhio National Bank	✓	a		b			✓			✓	c	✓	✓	✓	✓	d	✓	e				c			✓		✓	✓	c	c	c
ank One Dayton	✓	a		b		3	✓	✓			c	✓	✓	✓	✓	✓	✓	e	✓	✓		c			✓	c	✓	✓	c	c	
entral Trust Co.	✓	✓		b			✓				c	✓	✓	✓	✓		x	e	✓			c			✓		h	✓	c	c	
ifth Third Bank	✓	✓	c	b	✓					✓	c	✓	✓	✓	✓	✓	✓	f	✓			c					✓	✓	c	c	
irst Nat'l. Bank of Cincinnati	✓	✓		b	✓		✓				c	✓		✓	✓		x	e	✓			c			✓		h	✓	c		
untington National Bank	✓	✓		b	✓	4	✓	✓			c	✓	✓	✓	✓	✓	✓	e	✓	✓		c			✓	c	✓	✓	c	c	c
ational City Bank		a	c	b	✓		✓	✓		✓	c	✓	✓	✓	✓	✓	x	e	✓	✓		c					✓	✓	c	c	c
ociety National Bank	✓	a		b			✓	✓			c	✓		✓			✓	e	✓			c			✓		✓	✓	c		
oledo Trust Co.	✓	✓		b			✓					✓		✓	✓	✓	✓	e	✓	✓					✓		✓	✓	✓		
KLAHOMA																															
ank of Oklahoma	✓	a		b		2	✓	✓			c	✓	✓	✓	✓		✓	e				c	c		✓		h	✓	c		
NB & Trust Co. -Tulsa	✓	a		b		2	✓				c	✓	✓	✓	✓	✓	✓	e	✓	✓		c				✓	h	✓	c	c	

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BANK SERVICES

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	Lockboxing — retail	Lockboxing — wholesale	Lockboxing — other	Disbursement — controlled	Disbursement — delayed funding	Presentment points	Terminal-based balance reporting	Terminal-initiated W/Ts	Terminal-initiated comm. ppr.	Terminal-initiated stop paymt.	Other communications	Electronic DTCs	Terminal-based ACH	Direct deposit	Pre-authorized debits	Corporate trade payments	Letters of credit	Collections	Foreign exchange trading	Foreign exchange advisory	Multi-lateral netting	Lockbox/disbursement studies	Other consulting	Stand-alone consulting	Sweep	Separate management	Zero balance accounts	Payable-thru drafts	Account reconciliation	Treasury workstations	Other
First Nat'l. Bank of Oklahoma City	✓	✓		b		6	✓				c	✓	✓	✓	✓	✓	✓	e		✓		c			✓		✓	✓	c	c	c
Liberty National Bank	✓	a		b		2	✓				c	✓	✓	✓	✓		✓	e	✓	✓				✓			h	✓	c	c	
OREGON																															
First Interstate Bank	✓	a	c	c/b	✓	6	✓	✓			c	✓	✓	✓	✓	✓	✓					c	c	✓	✓		h	✓	c	c	
U.S. National Bank	✓	✓	c	b	✓		✓	✓			c	✓	✓	✓	✓	✓	✓	e	✓	✓		c			✓	c	✓	✓	c		
PENNSYLVANIA																															
Continental Bank		✓		✓			✓				c	✓		✓	✓		✓	e		✓		c			✓	c	h		c		c
First Pennsylvania Bank	✓	a		b	✓		✓	✓			c	✓	✓	✓	✓	✓	✓	e	✓			c			✓	c	✓	✓	c		
Mellon Bank	✓	a	c	b	✓	2	✓	✓	✓	✓	c	✓	✓	✓	✓	✓	✓	g	✓	✓	✓	c	c	c	✓	c	c	✓	c	c	
Meridian Bank	✓	✓	c	b			✓	✓			c	✓	✓	✓	✓		✓	e	✓	✓		c			✓	✓	✓	✓	c		c
Philadelphia National Bank	✓	✓	c	b		2	✓	✓		✓	c	✓	✓	✓	✓	✓	x	g	✓	✓		c	c	✓	✓	✓	h	✓	✓	c	c
Pittsburgh National Bank	✓	a	c	b	✓	2	✓	✓		✓	c	✓	✓	✓	✓	✓	✓	e	✓	✓		c	c	✓	✓	c	h	✓	c	c	
Provident National Bank	✓	a	c	b			✓	✓			c	✓		✓	✓		✓	e	✓	✓		c		✓	✓	✓	h	✓	c	c	
RHODE ISLAND																															
Fleet National Bank		✓		b		1	✓	✓			c	✓	✓	✓	✓	✓						c			✓		h		✓		
SOUTH DAKOTA																															
Norwest Bank South Dakota	✓	✓	✓	b	✓	15	✓					✓		✓	✓	d	✓	g	✓	✓							✓	✓	c		c
TENNESSEE																															
Commerce Union Bank	✓	✓	i	b	✓	9	✓	✓		✓	✓	✓		✓	✓	✓	x	e	✓	✓		c		✓	✓	✓	h	✓	c		c
First American National Bank	✓	✓	i/c	b		2	✓				c	✓		✓	✓	✓	✓	g	✓	✓					✓		h	✓	c		c
First Tennessee Bank	✓	a		b		9	✓				c	✓		✓	✓	d	✓	e	✓	✓		c	c				h	✓	c	c	c
Third National Bank	✓	a		b	✓	3	✓	✓			c	✓	✓	✓	✓	✓	x	e	✓	✓		c	c		✓		h	✓	c	c	c
TEXAS																															
Cullen Bank		✓		✓			✓				c	✓		✓	✓	✓	✓	e	✓								✓	✓	c		
First City Bank - Dallas	✓	a	c	c/b	✓	4	✓	✓		✓	c	✓	✓	✓	✓	✓	x	e	✓	✓		c	c				h	✓	c	c	
First City Nat'l. Bank of Houston	✓	a	c	c/b	✓	4	✓	✓		✓	c	✓	✓	✓	✓	✓	x	g	✓	✓		c	c			✓	h	✓	c	c	
Frost National Bank	✓	✓		b							c	✓	✓	✓	✓	✓	✓										✓	✓	c		
Interfirst Bank Dallas	✓	✓	c	✓	✓	5	✓	✓		✓	c	✓	✓	✓	✓	✓	✓	e	✓	✓		c	c	✓			h	✓	✓		
MBank Houston	✓	✓		b		6	✓	✓		✓	c	✓	✓	✓	✓	✓	x	e	✓	✓	✓	c					h	✓	c	c	c
NBC Bank - San Antonio	✓	✓					✓				c	✓		✓	✓	✓	✓	e	✓	✓							h	✓	c	c	c
RepublicBank - Dallas/Houston	✓	✓	c	b		5	✓	✓		✓	c	✓	✓	✓	✓	✓	x	e	✓	✓							✓	✓	c	c	
Texas American Bancshares	✓	✓	c	b		4	✓				c	✓		✓	✓	✓	x	e	✓	✓		c					✓	✓	c	c	c
Texas Commerce Bank	✓	a	c	b	✓	11	✓	✓		✓	c	✓	✓	✓	✓	✓	x	e	✓							c	✓	✓	c	c	c
UTAH																															
First Interstate Bank of Utah	✓	a	c	b	✓	4	✓	✓			c	✓	✓	✓	✓	✓	✓	e							✓	c	h	✓	c	c	
VIRGINIA																															
Bank of Virginia	✓	✓	c	✓			✓	✓			c	✓	✓	✓	✓	✓	✓	e	✓			c			✓		h	✓	c	c	c
Sovran Bank	✓	a	c	b	✓		✓	✓		✓	c	✓	✓	✓	✓	✓	✓	e	✓	✓		c			✓	✓	h	✓	c	c	
United Virginia Bank	✓	a		b	✓		✓	✓			c	✓	✓	✓	✓	✓	✓	e	✓			c				✓	✓	✓	c	c	
WASHINGTON																															
First Interstate Bank	✓	a	c	b	✓	2	✓	✓		✓	c	✓	✓	✓	✓	✓	x	e	✓			c		✓	✓	✓	h	✓	c	c	
Rainier National Bank	✓	a	c	b		2	✓	✓		✓	c	✓	✓	✓	✓	✓	x	g	✓	✓		c					h	✓	c	c	
Seattle First National Bank		a		b	✓		✓	✓			c	✓	✓	✓	✓	✓	x	e	✓	✓		✓		✓			✓	✓	c	c	

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WISCONSIN																																							
M&I Marshall & Ilsley Bank	✓	✓			b	✓			✓	✓		✓	c		✓	✓	✓	✓	✓		x	e	✓				c				✓			h	✓	c			
Marine Bank	✓	✓			b		6		✓	✓			c		✓		✓	✓	✓								c							✓	✓	c			
CANADA																																							
Bank of Novia Scotia	✓	a	i						✓	✓			c		✓	✓	✓	✓	✓		✓	e	✓	✓			c	c	✓		✓			h	✓	✓			c
Canadian Imperial Bank	✓	a	i/c						✓	✓			c		✓	✓	✓	✓	✓		✓	g	✓	✓	✓		c		✓		✓			h	✓	c	✓		c
Citibank Canada		✓			b/c				✓	✓	c	c			c	✓	✓	✓			x	g	✓	✓	✓		✓				✓	✓		h		✓			
Royal Bank of Canada	✓	a	i/c						✓	✓	✓						✓	✓	✓		x	e	✓	✓							✓			h	✓	c			
Toronto-Dominion Bank	✓	a	i/c		c				✓	✓		✓	c				✓	✓	✓		x	g	✓	✓			c	c			✓	✓		h	✓	c			c

U.S. banks

a

American Security Bank

1501 Pennsylvania Ave. N.W.,
Washington, D.C. 20013; (202)
624-4000

Fortune 1000 lockbox clients: 8
Fortune 1000 total clients: 8
Financial services clients: 50
Executive: Richard Clarke, vice president.
Contact: Felix Samter, vice president.
C.M. professionals: 8

American Security Bank is a member of the BankLink balance reporting network.

Its account reconciliation package was developed by Disc Inc. The treasury workstation is by Capital Systems.

AmeriTrust Co.

900 Euclid Ave., Cleveland, Ohio
44101; (216) 687-4219

Fortune 1000 lockbox clients: 120
Fortune 1000 disbursement clients: 65
Fortune 1000 total clients: 185
Financial services clients: 25
Executive: Donald G. Broomfield, vice president.
Contact: Mr. Broomfield.
C.M. professionals: 13
Representative clients: Firestone, M, Parker Hannifan, Sohio.

AmeriTrust Co.'s Cash Management Services operates a stand-alone lockbox processing facility in Cincinnati.

The bank uses Chase Access Services for its balance reporting and treasury workstation.

Consulting services include lockbox/disbursement studies, using the Duke model.

AmeriTrust had $100 million in taxable assets under management as of April 30.

Disc Inc. developed the account reconciliation package.

AmSouth Bank

P.O. Box 11007, Birmingham, Ala.
35288; (205) 326-5120

Fortune 1000 lockbox clients: 29
Fortune 1000 disbursement clients: 35
Fortune 1000 total clients: 39
Executive: David A. Simmons, vice president-department manager.
Contact: Michael Sullivan, cash management marketing representative.
C.M. professionals: 3

AmSouth Bank's Cash Management Marketing Department uses the National Data Corp. system for balance reporting.

The bank offers terminal-initiated ACH transactions in cash concentrated deposits only.

The consulting group uses the Phoenix-Hecht 4.0 and Lockbox Micro Model studies for lockbox/disbursement studies.

Its account reconciliation package was developed by Disc Inc.

b

BancOhio National Bank

155 E. Broad St., Columbus, Ohio
43251; (614) 463-8484

Executive: John J. Brennan, vice president and manager-corporate services.
Contact: Richard L. Heston, vice president and sales manager.
C.M. professionals: 21

BancOhio's Corporate Services uses the ADP balance reporting network.

The bank's lockbox/disbursement studies use the UAI/Duke model.

Its account reconciliation package was developed by Disc Inc. and its treasury workstation is MicroCTS by Capital Systems.

Other services include deposit reconcilement, cash concentration, payroll, intraday balance reporting, ARP truncation/inquiry, preauthorized collection, cash application and cash services.

Bank of America

P.O. Box 37000, San Francisco,
Calif. 94137; (415) 953-0484

Fortune 1000 lockbox clients: 900
Fortune 1000 disbursement clients: 100
Fortune 1000 total clients: 900
Financial services clients: 100
Executive: Richard Griffith, executive vice president.
Contact: Marshall Soura, vice president, New York, (212) 503-7766; Robert Wagner, vice president, San Francisco, (415) 953-0484.
C.M. professionals: 60

Bank of America's Corporate Payments Division has stand-alone lockbox processing facilities in San Francisco, Los Angeles and Seattle.

Terminal-initiated services include foreign exchange exposure management and debt management.

Bank of America has an overseas lockbox site in Amsterdam.

The bank's consulting group uses the UAI model. The group also does treasury reviews (domestic and international) and bank analysis.

Its account reconciliation package is proprietary; its treasury workstation was developed in-house with ADS.

Bank of Boston

100 Federal St., Boston, Mass.
02110; (617) 434-3870

Executive: Stephen J. MacQuarrie, division executive.
Contact: Susan M. Rugnetta, assistant vice president and senior manager.
C.M. professionals: 30

Bank of Boston's Cash Management Department is a member of the Imagenet lockbox network.

The bank has its own balance reporting system, Bostonet. Terminal-initiated services not on the chart include ACH.

The bank has international lockboxing sites in Canada, London, Frankfurt, Paris and Luxembourg.

Bank of Boston uses the UAI model for lockbox/disbursement studies.

Its account reconciliation package was developed by Disc Inc.

Bank of Delaware

300 Delaware Ave., Wilmington,
Del. 19899; (302) 429-1211

Fortune 1000 lockbox clients: 25
Fortune 1000 disbursement clients: 100
Fortune 1000 total clients: 200
Financial services clients: 1,500
Executive: Gale D. Lattanzio, cash management sales consultant.
Contact: Ms. Lattanzio.
C.M. professionals: 4

Bank of Delaware's Cash Management Sales/Consulting Department uses the ADP Network Services balance reporting system.

It uses the Trans Data model for lockbox/disbursement studies.

The account reconciliation package was developed by Disc Inc.

Bank IV

P.O. Box 4, Wichita, Kan.
67201-0004; (316) 261-4444

Executive: James Aronis, vice president.
Contact: Roger Elliott, marketing officer.
C.M. professionals: 2
Representative clients: Pizza Hut, Derby Refining, Rent-a-Center, Esmark.

Bank IV Internal Operations — Cash Management uses the BankLink system for its balance reporting.

Its account reconciliation package was developed in-house.

Bank of Hawaii

P.O. Box 2900, Honolulu, Hawaii
96846; (808) 537-8539

Financial services clients: 35
Executive: Roy K. Amemiya Jr., assistant vice president and manager.
Contact: Mr. Amemiya.
C.M. professionals: 5
Representative clients: Amfac, Castle & Cooke, Hawaiian Electric, Sheraton Hotels of the Pacific.

Bank of Hawaii is a member of the US$NET lockbox network.

The bank is a member of the BankLink balance reporting network. Terminal-initiated services not on the chart include transfers between accounts.

Its account reconciliation package was developed in-house.

Bank of New England

28 State St., Boston, Mass. 02106;
(617) 742-4000

Executive: John R. Mutschler, senior vice president.
C.M. professionals: 20

Bank of New England's Cash Management Sales Department is a member of the US$NET lockbox network.

It uses BankLink 1 and 2 for its balance reporting.

The consulting group uses the Duke model for lockbox/disbursement studies.

Its account reconciliation package was developed by Disc Inc. Its treasury workstation was developed by BankLink 2.

The Bank of New York

48 Wall St., New York, N.Y. 10015;
(212) 530-1101

Executive: W. Alden Anderson Jr., senior vice president.
Contact: Mr. Anderson.

The Bank of New York's Cash Management Division operates its own lockbox network with stand-alone lockbox processing facilities in New York City; Harrison, N.Y.; and Newark, Del.

The bank is a member of the Bank of New York Co. Inc.'s disbursement network.

The bank's consulting group uses the Phoenix-Hecht model for lockbox/disbursement studies.

Its taxable assets under management were $1 billion as of April 30.

The bank's account reconciliation package is proprietary. Its treasury workstation was developed by Capital Systems Group.

Bank of Oklahoma

P.O. Box 2300, Tulsa, Okla. 74192;
(918) 588-6000

Fortune 1000 lockbox clients: 10
Fortune 1000 disbursement clients: 20
Fortune 1000 total clients: 30
Executive: Robert A. McDaniel, senior vice president and manager of corporate services.
Contact: Terry Croll, vice president and sales consultant.
C.M. professionals: 5
Representative clients: Williams Co., Mapco, Cities Service.

Bank of Oklahoma Corporate Services uses the Chase Access system for its balance reporting.

Its consulting group uses the First Chicago or Phoenix-Hecht model for lockbox/disbursement studies. Other consulting services include general cash management system design.

The bank's account reconciliation package was developed by Disc Inc.

The annual survey of cash managers at the nation's largest corporations runs Oct. 27.

Bank One, Dayton

Kettering Tower, Dayton, Ohio
45402; (513) 449-8648

Fortune 1000 lockbox clients: 4
Fortune 1000 disbursement clients: 9
Fortune 1000 total clients: 20
Financial services clients: 11
Executive: A. Richard Parker, vice president.
Contact: Mr. Parker.
C.M. professionals: 6

Bank One, Dayton's Business Services Division uses the BankLink system for its balance reporting.

Terminal-initiated services not on the chart include cash concentration (ACH and DTC).

Its lockbox/disbursement studies are based on the Focus and Duke models.

The division had $31 million in taxable assets under management April 30.

Its account reconciliation package was developed by Disc Inc. and its treasury workstation by ADS Associates.

Bank of Virginia

7 N. Eighth St., Richmond, Va.
23260; (804) 771-7000

Fortune 1000 lockbox clients: 5
Fortune 1000 disbursement clients: 9
Fortune 1000 total clients: 48
Executive: Douglas T. Lubienski, senior vice president.
Contact: Harold L. Hughey Jr., vice president.
C.M. professionals: 12

The Bank of Virginia's Cash Management Department has stand-alone lockbox processing facilities in Springfield, Va., and Baltimore, Md.

The bank uses its own system for balance reporting. Other terminal-initiated services not on the chart include deposit reporting.

The bank's consulting group uses the VAI micromodel & Duke 4.0 model for lockbox/disbursement studies.

Its account reconciliation package was developed by Disc Inc.; its treasury workstation was developed by Arthur Young and NDC. Services not specified in the chart include preauthorized checks, government check pickup and freight payment plan.

Barnett Bank

100 Laura St., Jacksonville, Fla.
32212; (904) 791-7720

Executive: Andy Higgins, senior vice president-corporate services.
Contact: Mr. Higgins.
C.M. professionals: 34

Barnett Bank's Cash Management department has stand-alone sites at eight different points in Florida.

The bank has its own balance reporting system.

Its lockbox/disbursement studies are based on the Phoenix-Hecht model.

The bank's account reconciliation package was developed by Disc Inc., and its treasury workstation was developed in-house.

The Boatmen's National Bank of St. Louis

100 N. Broadway, Suite 1080, St.
Louis, Mo. 63102; (314) 425-7663

Executive: Allen J. Grieve, vice president and director-corporate services.
Contact: E. Daniel Korshin, vice president-corporate services.
C.M. professionals: 4

The Boatmen's National Bank of St. Louis' Corporate Services is a member of the Regional Bank Corporate Services Group Referral System lockboxing network. The bank offers stand-alone lockbox processing sites in Kansas City, Mo., and Memphis, Tenn.

The bank uses ADP Network Services for its terminal-access balance reporting. Terminal-initiated services not on the chart include ACH debits and credits.

Its account reconciliation package was developed by Disc Inc. Its treasury workstation was developed by ADP/NDC. Other services include deposit consolidation and reconciliation; automated commercial-customer information system (AC-CIS).

Branch Banking and Trust

P.O. Box 1847, Wilson, N.C.
27893; (919) 399-4527

Fortune 1000 lockbox clients: 1
Fortune 1000 disbursement clients: 2
Fortune 1000 total clients: 5
Financial services clients: 10
Executive: George F. Markle, vice president and manager-cash management services.
C.M. professionals: 8

Branch Banking and Trust Co.'s Cash Management Services uses the ADP system for its balance reporting.

Its account reconciliation package was developed by Disc Inc. Its treasury workstation was developed by ADP.

C

Centerre Bank

1 Centerre Plaza, St. Louis, Mo.
63101; (314) 554-6000

Executive: George D. Horn, vice president and manager.
Contact: Mr. Horn.
C.M. professionals: 24

Centerre Bank's Cash Management Division is a member of the Imagenet lockbox network.

The bank's consulting group uses the UAI model for lockbox/disbursement studies.

The bank developed its own treasury workstation.

Central Bank of Denver

1515 Arapahoe St., Denver, Colo.
80292; (303) 893-3456

Executive: Allen K. Thomas, senior vice president.
Contact: Stephen P. Klekotka, assistant vice president and manager-corporate cash management services.
C.M. professionals: 3

Central Bank of Denver's Corporate Cash Management Services is a member of the BankLink balance reporting network.

Its account reconciliation package was developed by Disc Inc.

The Central Trust Co.

The Central Trust Center, Fifth and
Main Streets, Cincinnati, Ohio
45202; (513) 651-8687

Fortune 1000 lockbox clients: 15
Fortune 1000 disbursement clients: 20
Fortune 1000 total clients: 30
Executive: Ray Mallory, vice president.
Contact: James G. Hamberg, assistant vice president.
C.M. professionals: 3
Representative clients: Cargill, Cincinnati Bell, MCI, Federated Department Stores.

The Central Trust Co.'s Corporate Services Department uses the Chase Access system for its balance reporting.

The Phoenix Hecht model is used for lockbox/disbursement studies.

Its account reconciliation package was developed in-house; its treasury workstation was designed by Chase Access.

Chase Lincoln First Bank

1 Lincoln First Square, Rochester,
N.Y., 14643; (716) 258-6510

Fortune 1000 lockbox clients: 30
Fortune 1000 disbursement clients: 45
Fortune 1000 total clients: 50
Financial services clients: 5
Executive: Thomas P. Boskow, vice president.

TREAS
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RUST

Weak link?

Cash management services are only as strong as the link between desktop electronics and your bank's operations center. And they don't offer the kind of help you get from Irving Trust Treasury Services. From help with trade financing. To investing cash for the short- or mid-term.

Irving Trust
One Wall Street
New York, NY 10015
Member FDIC

Contact: Georgia T. Lamb.

C.M. professionals: 9

Representative clients: Xerox, Eastman Kodak, Bausch & Lomb, Gannett.

Chase Lincoln First Bank's Cash Management Department uses the BankLink system for its balance reporting. Terminal-initiated services not on the chart include DTCs.

The bank's consulting group uses the Duke 4.0 model for lockbox studies; an in-house model is used for disbursements. The group also conducts concentration/diagnostic studies.

The bank's account reconciliation package was developed by Disc Inc. Services not listed on the chart include deposit reconciliation.

The Chase Manhattan Bank

195 Broadway, New York, N.Y.
10007; (212) 669-6040

Fortune 1000 lockbox clients: 50

Fortune 1000 disbursement clients: 380

Executive: Richard Canty, vice president executive.

Contact: James Putnam, vice president.

C.M. professionals: 375

Representative clients: W.R. Grace, Johnson & Johnson, PepsiCo, Pfizer.

The Chase Manhattan Bank's Corporate Industries Sector's terminal-initiated services include ACH/EFT transactions.

The consulting group offers treasury management evaluations, bank evaluations and diagnostic studies.

The bank's account reconciliation package was developed by Disc Inc.; its treasury workstation, by ICM.

Chemical Bank

380 Madison Ave., New York, N.Y.
10017; (212) 309-5639

Fortune 1000 lockbox clients: 100

Fortune 1000 disbursement clients: 280

Fortune 1000 total clients: 350

Executive: Barbara D. Capsalis, senior vice president.

Contact: Kay T. Shackleton, vice president.

C.M. professionals: 65

Chemical Bank's Financial Services Division has its own lockbox network. The bank has retail lockboxing collection services for scannable retail but not high-volume retail. It has stand-alone lockbox sites in Chicago, Dallas, Los Angeles, New York and Newark.

It had $1.8 billion in taxable assets under management as of April 1986.

The bank uses the comprehensive version of Disc Inc.'s account reconciliation package; its treasury workstation was developed by ICM and customized for Chemical Bank.

Citibank

460 W. 33rd St., New York, N.Y.
10043; (212) 971-2330

Executive: R. Max Gould, senior vice president-CitiCash Management.

Contact: Murray Bolton.

Citibank's CitiCash Management's terminal-initiated services not on the chart include ACH, DTC and reconcilement adjustments.

The bank is able to send corporate trade payments through the ACH, but cannot receive them.

The consulting group uses the Duke/UAI models for lockbox/disbursement studies. Other studies available include global and domestic treasury management reviews, back-office reviews, systems and information analysis consulting, concentration analysis and international netting.

The bank's account reconciliation package and treasury workstation were developed in-house. Other services include global reports and electronic information reporting.

The Citizens and Southern National Bank

P.O. Box 4899, Atlanta, Ga.,
30302-4899; (404) 581-3108

Executive: H.B. (Rhen) Cain, executive vice president.

Contact: Mr. Cain and Joe Webb, senior vice president.

C.M. professionals: 22

The Citizens and Southern National Bank's Corporate Cash Management department is a member of the Imagenet lockboxing network. The bank has stand-alone sites in Columbia, S.C., and Tampa, Fla.

It uses the Cash Management Exchange system for its balance reporting. Terminal-initiated services not on the chart include concentration, ACH origination and checking account inquiries.

The bank's consulting group uses UAI micro and 4.0 models for its lockbox/disbursement studies.

Its account reconciliation package was developed by Disc Inc.; its treasury workstation was developed by Capital Systems. Other services include corporate high-speed deposits, freight payments, payroll services, check safekeeping, preauthorized drafting and cash letters.

City National Bank of Baton Rouge

P.O. Box 1231, Baton Rouge, La.
70821; (504) 377-8406

Executive: William A. Morris.

Contact: Mr. Morris.

C.M. professionals: 4

Representative clients: Lincoln Big Three, Gulf States Utilities, P&C Food Markets, Louisiana Treasury Department.

City National Bank of Baton Rouge's Cash Management Department uses the ADP and FDR systems for its balance reporting.

The bank's account reconciliation program was developed by Florida Software.

Colorado National Banks

P.O. Box 5168, Denver, Colo.
80217; (303) 893-1862

Executive: David E. Skoglund, vice president and manager-cash management division.

Contact: Mr. Skoglund.

C.M. professionals: 7

Colorado National Banks' Cash Management Division uses the National Data Corp. network for balance reporting.

The consulting group uses the University Analytics model for lockbox/disbursement studies, and also conducts cash management system audits for middle-market companies.

The account reconciliation package was developed in-house.

Comerica Bank-Detroit

Detroit, Mich. 48275-3054; (313)
496-6619

Executive: Thomas Hector, vice president.

Contact: Margaret Kargol, assistant vice president.

C.M. professionals: 15

Comerica Bank-Detroit's Corporate Cash Management division is a member of the US$NET lockbox network.

It uses the BankLink system for its balance reporting.

The bank's consulting group uses the Phoenix-Hecht model for lockbox/disbursement studies.

Its account reconciliation package was developed by Disc Inc.; its treasury workstation, by ADS.

Commerce Bank of Kansas City

P.O. Box 248, Kansas City, Mo.
64134; (816) 234-2480

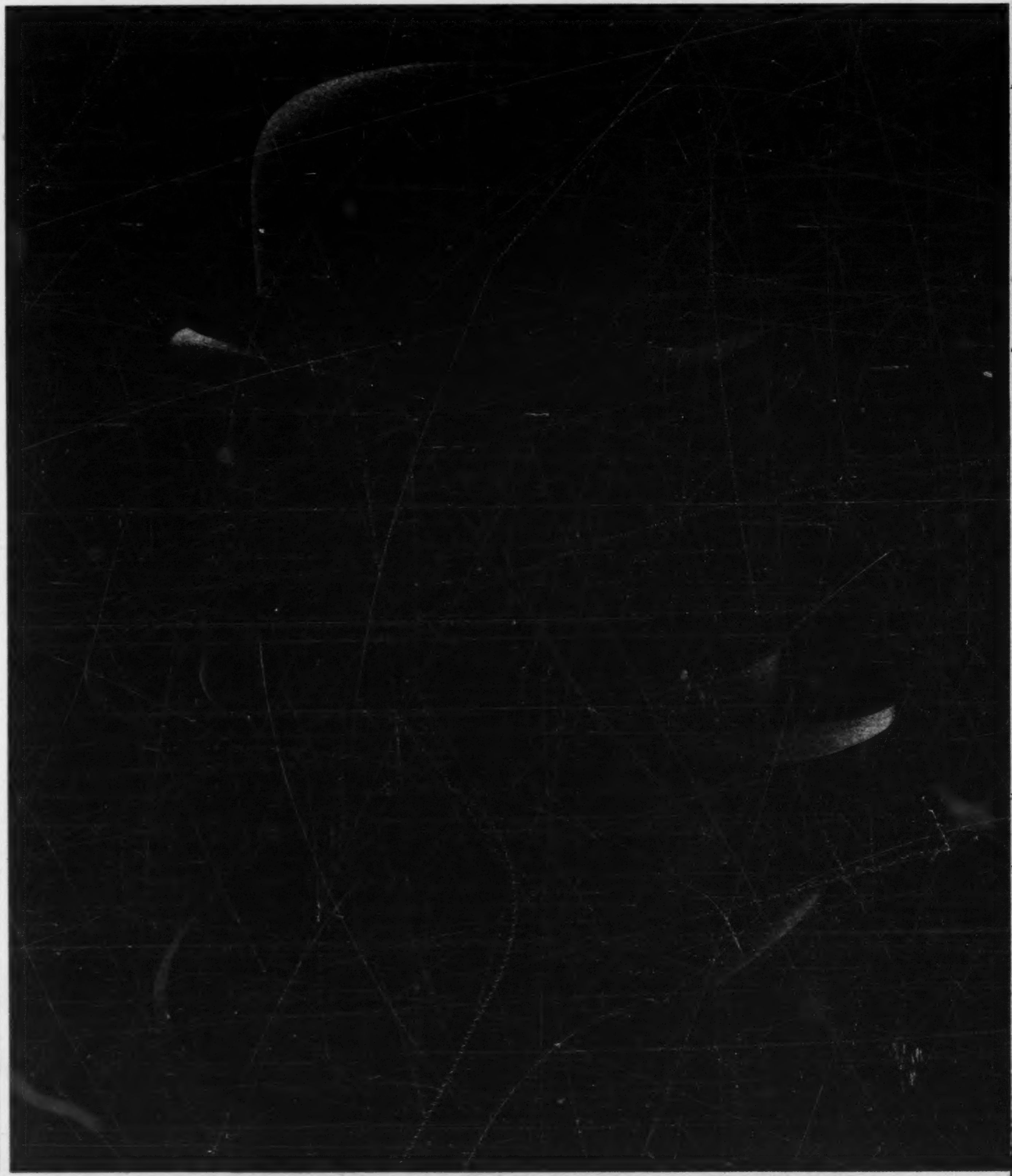
Executive: Jon R. Bakalar, vice president.

Contact: Mr. Bakalar.

C.M. professionals: 7

Commerce Bank of Kansas City's Corporate Services uses the BankLink system for its balance reporting. Terminal-initiated services not on the chart include depository transfer checks.

The consulting group uses the Phoenix-Hecht model for lockbox/disbursement studies.



Its account reconciliation package was developed in-house.

Commerce Union Bank

1 Commerce Place, Nashville,
Tenn. 37219; (615) 749-3777

Fortune 1000 total clients: 30
Financial services clients: 15
Contact: Sue K. Veith
C.M. professionals: 7

The consulting group at Commerce Union Bank's Corporate Services Department uses the Duke model for lockbox/disbursement studies.

The bank's account reconciliation package was developed by Disc Inc. Other services include cash forecasting and Intercom — an electronic banking system geared to middle- and lower middle-market customers with many of the same features as a treasury workstation. It provides a direct on-line link between the customer and the bank main frame.

Union funds: Sept. 1

Connecticut Bank and Trust

1 Constitution Plaza, Hartford,
Conn. 06115; (203) 244-5000

Executive: Albert C. Hills, senior vice president.
C.M. professionals: 24

Connecticut Bank and Trust Co.'s Corporate Services has stand-alone lockbox processing facilities in Hartford and Stamford, Conn.

The bank uses the BankLink I system for its balance reporting.

Its consulting group uses the Phoenix-Hecht model for lockbox studies.

Its account reconciliation package was developed internally. Other services include deposit tracking and microfilm cross-reference.

Connecticut National Bank

777 Main St., Hartford, Conn.
06115; (203) 728-2000

Executive: Pamela M. Drouin, vice president and manager-cash management sales; Stephen C. Holahan, vice president and manager-cash management and product development.
Contact: Ms. Drouin.
C.M. professionals: 26

Connecticut National Bank's Cash Management Department is a member of the Connecticut National Network. It has stand-alone facilities in Stamford, Conn.

The bank uses ADP for its balance reporting. Terminal-initiated services not on the chart include electronic depository transfers.

Its consulting group use the Duke Release 4.0 model for lockbox studies.

The bank's account reconciliation package was developed in-house; its treasury workstation was developed by Capital Systems Group. Other services include international check clearing.

Continental Bank

1500 Market St., Philadelphia, Pa.
19102; (215) 564-7177

Executive: Thomas M. Mulhern, vice president.
Contact: Mr. Mulhern.
C.M. professionals: 3

Continental Bank's Cash Management Department uses the ADP balance reporting network.

Its lockbox/disbursement studies are based on Phoenix-Hecht/University Analytics models.

The bank's taxable assets under management as of April 30 were between $20 million and $25 million.

Its account reconciliation package was developed by Disc Inc. Other services include depository transfer checks and deposit reporting service.

Continental Illinois National Bank and Trust Co. of Chicago

231 S. LaSalle St., Chicago, Ill.
60697; (312) 828-6600

Fortune 1000 lockbox clients: 700
Fortune 1000 disbursement clients: 500
Fortune 1000 total clients: 700
Financial services clients: 200
Executive: John N. Fix, senior president.
Contact: Patricia P. Scanlon, ond vice president.
C.M. professionals: 102

Continental Illinois' Cash Mana ment Department's terminal-initi services not listed on the chart incl EFT, investing and letters of credit.

The consulting group use the model for lockbox/disbursement dies. Other studies conducted by group include concentration cash forecasting, comprehensive, in-cou and treasury automation review.

The bank's taxable assets u management as of April 30 were billion.

Its account reconciliation pack was developed in-house. Other vices include Treasury I Account A ysis software.

Cullen Bank

600 Jefferson, Houston, Texas
77002; (713) 652-7600

Fortune 1000 lockbox clients: 2
Executive: Neil A. Wackerma vice president and manager.
Contact: Mr. Wackermann.
C.M. professionals: 1
Representative clients: Lone Industries, AMF Tuboscope, Exx Triplex.

Cullen Bank's Cash Managem Department uses the BankLink syst for its balance reporting.

Its account reconciliation packa was developed in-house.

d

Delaware Trust Co.

900 Market St., Wilmington, Del.
19808; (302) 421-7451

Executive: Kemp A. Wright, vi president
Contact: Mr. Wright.
C.M. professionals: 1

Delaware Trust's Corporate Re tions' account reconciliation packa was developed by Pep.

Deposit Guaranty National Bank

P.O. Box 1200, Jackson, Miss.
39205; (601) 354-8026

Fortune 1000 lockbox clients: 1
Fortune 1000 disbursement ents: 3
Fortune 1000 total clients: 18
Financial services clients: 11
Executive: Alan Walters, senior vi president.
Contact: Jill Rushing, assistant vi president.
C.M. professionals: 3
Representative clients: Bl Cross/Blue Shield, MS Chemic McRaes, Phillips College.

Deposit Guaranty National Ban Corporate Services uses the NDC n work for balance reporting.

The consulting group uses the Pho nix-Hecht model for lockbox/disburs ment studies.

Its account reconciliation packa was developed by Disc Inc.

e

Equitable Bank

100 S. Charles St., Baltimore, Md
21201; (301) 547-4000

Executive: Robert W. Quinlan, vi president.
Contact: Mr. Quinlan.
C.M. professionals: 12

Equitable Bank's Cash Manageme

When it comes to cash management, one size fits nobody.

Your cash management needs aren't like anyone else's. What's right for you fits only you.

When it comes to custom-fitting, Bankers Trust is at its best.

Take how we helped a major Wall Street investment bank streamline its electronic funds transfers. As its volume grew, so did paperwork and costs. Both were getting out of hand.

"Give us a system that can handle hundreds of megabuck items. We want one-time entry. And no paper, no delays, no errors," they said.

Most of our competitors begged off. "Nothing like that on our shelves," they said. But our Global Operating and Information team said, "You're on."

Our team—relationship, product, and technology people—worked with their people to design a unique solution. A computer-to-computer linkup that does every single thing they asked for.

Now that's a perfect fit.

Bankers Trust Company
Cash management, worldwide.

Department uses the BankLink system or balance reporting.

The consulting group uses the Duke model for lockbox/disbursement studies.

The bank had $40 million of taxable assets under management as of April 30.

Its account reconciliation package was developed by Disc Inc.

European American Bank

EAB Plaza, Uniondale, N.Y.
11555-2783; (516) 296-5565

Fortune 1000 lockbox clients: 10
Fortune 1000 total clients: 25
Financial services clients: 10
Executive: Louis A. Duchi, assistant vice president, manager.
C.M. professionals: 4

European American Bank's Cash Management Services' account reconciliation package was developed by Disc Inc.; its treasury workstation, by Capital Systems Corp. Other services offered include depository transfer checks.

f

Fifth Third Bank

38 Fountain Square Plaza,
Cincinnati, Ohio 45263; (513)
579-4163

Executive: James L. Doepker, vice president.
Contact: Mr. Doepker.
C.M. professionals: 5

The Fifth Third Bank's Cash Management Services is a member of a private lockbox network.

It uses the IDC system for its balance reporting. Terminal-initiated services not listed on the chart include account reconciliations and ACH debits and credits.

The bank has an international lockboxing site in Toronto.

Its consulting group uses the Phoenix-Hecht model for lockbox/disbursement studies.

Its account reconciliation package was developed by Disc Inc. Its treasury workstation was developed by IDC.

First of America Bank — Detroit

645 Griswold, Detroit, Mich. 48226;
(313) 965-1900

Fortune 1000 lockbox clients: 4
Fortune 1000 total clients: 12
Executive: Theodore J. Krause, vice president.
C.M. professionals: 6

First of America Bank — Detroit's Corporate Services' account reconciliation package was developed by Disc Inc.

First American National Bank

Fourth and Union, Nashville, Tenn.
37237; (615) 748-2272

Executive: Tipton H. Evans, vice president.
Contact: Mr. Evans.
C.M. professionals: 7

First American National Bank's Cash Management/Corporate Services Division has stand-alone lockbox processing facilities in Memphis and Knoxville, Tenn. and Tri-Cities.

The bank uses Chase Access Services for its balance reporting.

It has international lockboxing sites Canada and Mexico.

Its account reconciliation package was developed by Disc Inc. Other services include automated payroll and freight payment.

First Bank Minneapolis/St. Paul

120 S. Sixth St., Minneapolis,
Minn. 55480; (612) 370-4141, 332
Minnesota St., St. Paul, Minn.
55101; (612) 291-5000

Executive: Louise Miner, vice president.
Contact: Dawn Cole, assistant vice president, manager of sales.
C.M. professionals: 23

The Corporate Cash Management division of First Bank Minneapolis and First Bank St. Paul uses the BankLink system for balance reporting. Other terminal-initiated services not on the chart include ACH transactions.

The consulting group uses the Phoenix-Hecht micro model/Duke 4.0 for its lockbox/disbursement studies.

The banks' treasury workstations were developed by the Capital Systems Group.

First City Bank of Dallas

First City Center, P.O. Box 661700,
Dallas, Texas 75266-1700; (214)
939-8150

Executive: Richard F. Hickman, senior vice president.
Contact: Mr. Hickman.
C.M. professionals: 4
Representative clients: Texaco; Genstar; Air Products; Russel.

First City Bank of Dallas' Cash Management Services is a member of the First City Tandem Dallas/Houston lockboxing network. The bank has lockbox processing facilities at the First City National Bank — Houston.

It is a member of the First City proprietary disbursement network.

It uses the BankLink system for its balance reporting. Terminal-initiated services not on the chart include ACH and ACH/DTC.

The consulting group uses the UAI microcomputer models for lockbox/disbursement studies, and also offers select treasury management analysis.

Its account reconciliation package was developed by Disc ARP; its workstation by Integrated Cash Management Inc.

First City National Bank — Houston

P.O. Box 2557, Houston, Texas,
77252; (713) 658-5077

Executive: William C. McCain, senior vice president.
Contact: Phillip T. Able, vice president.
C.M. professionals: 24
Representative clients: Exxon, Standard Oil, Baker International, Chevron.

First City National Bank — Houston's Corporate Services is a member of the First City Tandem Dallas/Houston lockboxing network. It has stand-alone lockbox processing facilities in Dallas and Houston.

The bank is a member of the First City proprietary disbursement network.

It uses BankLink for its balance reporting. Terminal-initiated services not on the chart include ACH and ACH/DTC.

The bank has international lockbox sites in Singapore.

Its consulting group uses the UAI microcomputer models for lockbox/disbursement studies, and also offers select treasury management analysis.

Its account reconciliation package was developed by Disc ARP; its treasury workstation by Integrated Cash Management Inc.

First Fidelity Bank

550 Broad St., Newark, N.J. 07192;
(201) 565-3387

Fortune 1000 lockbox clients: 125
Fortune 1000 disbursement clients: 250
Fortune 1000 total clients: 325
Financial services clients: 50
Executive: Robert L. Verderame, senior vice president.
Contact: Mr. Verderame.
C.M. professionals: 18

First Fidelity Bank's Cash Management Department uses BankLink for its terminal-access balance reporting system. Other terminal-initiated services include DTC/ACH.

The bank uses the Disc system for its account reconciliation.

Other services include deposit reconciliation and bulk coin and currency.

First Florida Bank

111 Madison St., Tampa, Fla.
33601; (813) 224-1447

Executive: Clint H. Monts de Oca, vice president.
Contact: Corporate Services Department, (813) 224-1425.
C.M. professionals: 6
Representative clients: GE, General Telephone, Maas Brothers — Division of Allied Stores, Conagra.

First Florida Bank's Cash Management Department uses the Chase Access Service for balance reporting. Terminal-initiated service not on the chart include FED wire and ACH.

Its taxable assets under management were $20 million as of April 30.

Its account reconciliation package was developed by Disc Inc.; its treasury workstation, by Chase Access Services. Other services include deposit reconciliation.

First Interstate Bank of Arizona

114 W. Adams, Phoenix, Ariz.
85003; (602) 271-1297

Financial services clients: 40
Executive: Wilburn J. Brown, vice president and department head.
C.M. professionals: 14

First Interstate Bank of Arizona uses the BankLink system for its balance reporting.

It uses Phoenix-Hecht/University Analytics for its lockbox/disbursement studies. Other studies include endpoint analyses.

Its account reconciliation package was developed by Disc ARP; its treasury workstation, by ADS.

Other services include Moneynet/CDA wire transfers.

First Interstate Bank of Denver

633 17th St., Denver, Colo. 80270;
(303) 293-2211

Executive: Betsey LeSuer, vice president.
Contacts: Robert Gates and Kevin Collins, assistant vice presidents.
C.M. professionals: 15

First Interstate Bank of Denver's Non-Credit Marketing Department is a member of the First Interstate lockbox network.

The bank uses the ADP system for its balance reporting. Terminal-initiated services not on the chart include internal transfers and domestic and international money market rate reports.

The consulting group uses UAI model for lockbox/disbursement studies. The group also offers UAI 4.0 studies.

The bank's account reconciliation package was developed by Disc ARP; its treasury workstation, by ADS.

Other services offered include First Interstate automated cash concentrator, corporate cash letters, credit account reconciliation program, automatic standing transfer and MIS reporting.

First Interstate Bank Ltd.

707 Wilshire Blvd., Los Angeles,
Calif. 90017; (213) 614-3874

Fortune 1000 lockbox clients: 425
Fortune 1000 disbursement clients: 350
Fortune 1000 total clients: 600
Financial services clients: 200
Executive: Russell K. Snow Jr., senior vice president and manager-corporate financial services.
Contact: Jan R. Cloyde, vice president and manager-cash management sales and services.
C.M. professionals: 80

First Interstate Bank Ltd.'s Corporate Financial Services Group has its own lockbox network.

It uses the BankLink system for balance reporting.

The consulting group uses the UAI model for lockbox/disbursement studies.

Its account reconciliation package was developed by Disc (Software).

First Interstate Bank of Oregon

P.O. Box 3131, Portland, Ore.
97208; (503) 225-3529

Executive: Charles A. Smart
Contact: Jeanne Rohlf
C.M. professionals: 7

First Interstate Bank of Oregon's Cash Management Services Department uses the First Interstate lockbox network. Stand-alone lockbox processing facilities are available at First Interstate affiliates.

The bank uses the First Interstate disbursement network.

It uses the BankLink system for balance reporting. Terminal-initiated services not on the chart include ACH/DTC.

Its consulting group uses the UAI lockbox model, and also offers banking services proposals and cash management system analysis.

The bank's account reconciliation package was developed by Disc Inc.; its treasury workstation, by ADS.

First Interstate Bank of Utah

180 S. Main St., Salt Lake City,
Utah 84142; (801) 350-7057

Fortune 1000 lockbox clients: 2
Fortune 1000 disbursement clients: 1
Fortune 1000 total clients: 3
Executive: John E. Day, vice president and manager.
Contact: Mr. Day.
C.M. professionals: 5

First Interstate Bank of Utah's Cash Management Department uses the First Interstate lockboxing network.

Its uses the BankLink system for balance reporting. Terminal-initiated services not on the chart include ACH.

Its taxable assets under management were $20 million as of April 30.

The bank's account reconciliation package was developed by Disc Inc.; its treasury workstation, by ADS.

First Interstate Bank of Washington

999 Third Ave., Seattle, Wash.
98111; (206) 343-2238

Fortune 1000 lockbox clients: 15
Fortune 1000 disbursement clients: 18
Fortune 1000 total clients: 41
Executive: Kathy Mather, vice president and manager.
Contact: Ms. Mather.
C.M. professionals: 4

First Interstate Bank of Washington's Corporate Banking Services/Cash Management Sales Department uses the First Interstate lockboxing network.

It uses the BankLink system for balance reporting. Terminal-initiated services not on the chart include DTCs.

The bank's consulting group uses the University Analytics model for lockbox/disbursement studies.

Its account reconciliation package was developed by Disc Inc.; its treasury workstation, by ADS.

First Jersey National Bank

1 Exchange Place, Jersey City,
N.J. 07302; (201) 547-7000

Contact: C. Jean Gioioso, assistant vice president.
C.M. professionals: 5

First Jersey National Bank's Commercial Services' account reconciliation package was developed by Florida Software.

A directory of real estate investment advisers and a ranking of these firms is scheduled for the Sept. 15 issue of *P&I Age*.

First National Bank in Albuquerque

P.O. Box 1305, Albuquerque, N.M.
87103; (505) 765-4190

Executive: Fred M. Spuhler, senior vice president.
Contact: Mr. Spuhler.
C.M. professionals: 4
Representative clients: Public Service Co. of New Mexico, New Mexico state, Smiths Management Group, Furr's Inc.

First National Bank in Albuquerque's Corporate Cash Management Department uses both the NDC system and an in-house-developed system for balance reporting. It plans to use terminal-initiated wire transfers starting in September. Other terminal-initiated services not on the chart include transfer between accounts and lines of credit.

The bank provides an automated account sweep into repos.

The First National Bank of Chicago

1 First National Plaza, Suite 0196,
Chicago, Ill. 60670; (312) 732-8038

Fortune 1000 lockbox clients: 300
Fortune 1000 disbursement clients: 700
Fortune 1000 total clients: 700
Financial services clients: 250
Executive: Lawrence C. Russell, executive vice president.
Contact: Scott E. Bates, senior vice president.
C.M. professionals: 1,000
Representative clients: GM, AT&T, State Farm Insurance, Amoco.

First National Bank of Chicago's Service Products Group has its own lockboxing network. It has stand-alone lockbox processing facilities in Secaucus, N.J.; Dallas; Atlanta; and Los Angeles.

Terminal-initiated services not listed on the chart include check reconcilement, statement reconcilement, money transfer and shareholder services.

Its consulting group offers opportunity audits and trade payment systems.

Its account reconciliation system and treasury workstation were developed in-house.

First National Bank of Cincinnati

425 Walnut St., Cincinnati, Ohio
45202; (513) 632-4017

Fortune 1000 lockbox clients: 30
Fortune 1000 disbursement clients: 10
Fortune 1000 total clients: 60
Financial services clients: 100
Executive: James C. Rolfes, vice president.
Contact: Mr. Rolfes.
C.M. professionals: 4
Representative clients: Procter & Gamble, U.S. Shoe, U.S. Steel, Champion International.

First National Bank of Cincinnati Corporate Services uses the BankLink system for its balance reporting.

Its consulting group uses the University Analytics model for lockbox/disbursement studies.

The bank's account reconciliation package was developed by Disc Inc.

First National Bank of Louisville

P.O. Box 36000, Louisville, Ky.
40233; (502) 581-5345

Fortune 1000 lockbox clients: 50
Fortune 1000 disbursement clients: 5
Fortune 1000 total clients: 57
Financial services clients: 20
Executive: Daugherty Murphy, vice president.
Contact: Mr. Murphy.
C.M. professionals: 12

First National Bank of Louisville Corporate Product Management and Development has stand-alone lockbox processing facilities in Louisville, Phoenix, Dallas and Chicago

The bank uses the Chase Access Services system for its balance reporting. Terminal-initiated services not on the chart include cash concentration.

Its study group uses the Phoenix-Hecht model for lockbox/disbursement studies.

Its account reconciliation package was developed by Disc Inc.; its treasury workstation, by Chase Access Services (formerly IDC).

First National Bank of Maryland

P.O. Box 1596, Baltimore, Md.
21203; (301) 244-3890

Executive: J. William Murray, senior vice president.

Contact: Mark Furst, vice president.

C.M. professionals: 19

First National Bank of Maryland's Cash Management Division is a member of the US$NET lockbox network. It has a mail intercept facility in Washington.

The bank uses the BankLink system for its balance reporting. Terminal-initiated services not on the chart include ACH and concentration.

Its consulting group use UAI/Phoenix-Hecht models for lockbox/disbursement studies.

Its account reconciliation package was developed in-house; its treasury workstation was developed by MicroCTS. Other services include freight payment, cash processing, branch consolidation or deposit reconciliation.

First National Bank of Omaha

1 First National Center, Omaha,
Neb. 68102; (402) 341-0500

Fortune 1000 lockbox clients: 2

Fortune 1000 disbursement clients: 4

Fortune 1000 total clients: 15

Financial services clients: 16

Executive: Elias Eliopoulos.

Contact: Lori Klein, manager-cash management marketing.

C.M. professionals: 3

Representative clients: Mutual of Omaha, Physicians Mutual Insurance, Baker's Supermarkets, InterNorth.

First National Bank of Omaha's Cash Management Marketing Department uses the Interactive Data Corp. system for its balance reporting.

Its consulting group uses Phoenix-Hecht's micro model for lockbox/disbursement studies.

Its account reconciliation package was developed by Disc Inc.

First National Bank and Trust Co.

P.O. Box 1, Tulsa, Okla. 74193;
(918) 586-5836

Financial services clients: 10

Executive: Virgil E. Daniels, vice president and manager-cash management department.

Contact: Jean Nelson, administrative assistant-cash management department.

C.M. professionals: 5

First National Bank and Trust Co.'s Corporate Cash Management Department uses the National Data Corp. system for its balance reporting. Terminal-initiated services not on the chart include treasury management systems.

The consulting group uses the Phoenix-Hecht/Duke model for lockbox/disbursement studies.

The bank's account reconciliation package was developed by Disc Inc.'s ARP; its treasury workstation, by National Data.

The First National Bank & Trust Co. of Oklahoma City

P.O. Box 25189, Oklahoma City,
Okla. 73125; (405) 272-4962

Fortune 1000 lockbox clients: 10

Fortune 1000 disbursement clients: 10

Fortune 1000 total clients: 25

Financial services clients: 22

Executive: Robert A. Horn, senior vice president.

Contact: John L. Stiles, vice president.

C.M. professionals: 7

The First National Bank & Trust Co. of Oklahoma City's Commercial Services Sales/Support Department uses the NDC system for its balance reporting. Terminal-initiated services not on the chart include ACH origination.

Its consulting group uses the University Analytics model for lockbox/disbursement studies.

Its account reconciliation package was developed by Disc Inc. Its treasury workstation was developed by MicroCTS/NDC TMS. Other services include a payment management system.

A polling of chief investment officers on the quality of Wall Street research: Sept. 29.

First Pennsylvania Bank

P.O. Box 7558, Philadelphia, Pa.
19101; (215) 786-7834

Fortune 1000 lockbox clients: 64

Fortune 1000 disbursement clients: 15

Fortune 1000 total clients: 273

Financial services clients: 45

Executive: William F. Githens, senior vice president.

Contact: William C. Garver, vice president.

C.M. professionals: 16

Representative clients: Pennwalt Corp., Certainteed Corp., General Accident, Alco Standard Corp.

First Pennsylvania Bank's Commercial Banking Services Department uses ADP-network services for its balance reporting. Terminal-initiated services not on the chart include ACH entries.

The consulting group uses the Duke model for lockbox/disbursement studies.

Taxable assets under management April 30 totaled $2.5 million.

Its account reconciliation package was developed by Disc Inc.

First Tennessee Bank National Association

165 Madison Ave., Memphis, Tenn.
38103; (901) 523-4770

Fortune 1000 lockbox clients: 130

Fortune 1000 disbursement clients: 80

Fortune 1000 total clients: 225

Financial services clients: 18

Executive: Phillip L. White, senior vice president.

Contact: Mr. White.

C.M. professionals: 9

Representative clients: Malone & Hyde, W.R. Grace & Co., Federal Express, Holiday Corp.

First Tennessee's Cash Management Department uses the IDC system for its balance reporting.

Its study group uses the Phoenix-Hecht model for lockbox/disbursement studies. Other consulting services include cash management consulting studies.

The bank's account reconciliation package was developed by Disc Inc.; its treasury workstation, by IDC. Other services include automated cash concentration system.

First Union National Bank

301 S. Tryon St., Charlotte, N.C.
28288; (704) 374-6211

Fortune 1000 lockbox clients: 5

Fortune 1000 disbursement clients: 80

Fortune 1000 total clients: 100

Financial services clients: 25

Executive: Abbott Whitney, senior vice president and director of servicenter administration.

Contact: LuAnn Loeber, vice president and manager of cash management.

C.M. professionals: 52

Representative clients: J.P. Stevens, CBS, Douglas, Church's Fried Chicken.

All of the state-of-the-art, hi-tech mumbo-jumbo in the world won't help a bit unless your priorities are straight.

A lot of banks spend a lot of time throwing around a lot of buzzwords. And while our automated lockbox system does have its share of "leading-edge" technology, its most important benefit is more common sense than hi-tech.

We know when to move what, where.
Thanks to a unique feature that allows us to capture items up front, we can prioritize your checks before they're processed. That way, we can process high-dollar and

So you get better availability.
Which means we don't miss important check-clearing deadlines, and you don't miss out on potential profits. And out of all the scientific innovation talked about these days, that's something everyone can understand.

Without giving up flexibility.
Our system is parameter-driven. Which means we can easily meet your more specialized needs. So if you want three copies of each check sent to three different loca-

Or an arm and a leg.
To find out just how easy opening a lockbox with us can be, simply pick up the nearest state-of-the-art phone and call (713) 751-6416. You'll be relieved to hear we speak English, not mumbo-jumbo.

MBank
Houston
A Momentum Bank

First Union National Bank's Corpo ate Services Department uses the ADP system for its balance reporting.

The consulting group uses the Phoenix-Hecht model for lockbox studies and an in-house model for disburse ent studies.

Its account reconciliation package was developed by Disc Inc.; its treasury workstation, by MicroCTS.

First Union National Bank of Florida

P.O. Box 2080, Jacksonville, Fla.
32231-0010; (904) 632-6491

Fortune 1000 lockbox clients: 15
Fortune 1000 disbursement cli nts: 11
Fortune 1000 total clients: 88
Financial services clients: 35
Executive: Raymond A. Breault, ice president-manager.
Contact: Mr. Breault.
C.M. professionals: 12

First Union National Bank of Florida Corporate Financial Services has tand-alone lockbox processing facili ies in Orlando, Tampa, Pompano and acksonville.

It uses the NDC system for balance eporting. Terminal-initiated services ot on the chart include concentration and ACH transfers.

Its consulting group uses the Duke .0 model for lockbox/disbursement studies.

The bank's account reconciliation package was developed by Disc Inc.; ts treasury workstation, by Capital Systems Group/MicroCTS. Other ser ices include freight payment.

First Wachovia Corp.

P.O. Box 3099, Winston-Salem,
N.C. 27150, (919) 770-5496;
Peach Tree St. N.W., Atlanta, Ga.
30383; (404) 588-5788

Executive: Jack M. Meckler, group ice president, Winston-Salem.
Contact: Donald M. MacLeod, vice resident, Atlanta.
C.M. professionals: 50

First Wachovia Corp.'s Cash Man gement Group, First Wachovia Cor orate Services Inc., has its own ational lockbox network with stand-alone lockbox processing facilities in tlanta, Charlotte, N.C., and Dallas.

It uses the BankLink system for its alance reporting and also offers an n-house proprietary system, the First Wachovia Direct Connection. Termi al-initiated services not on the chart nclude concentration and ACH.

The bank's consulting group uses he UAI latest release model for lock ox/disbursement studies. Other con ulting services include overall cash management, export receivables and reasury automation.

Its account reconciliation package was developed by Disc Inc. Other ser ices include weekend concentration, re-encoded deposits, cash manage ent forum and cash management eminars.

Fleet National Bank

111 Westminster St., Providence,
R.I., 02903; (401) 278-5522

Fortune 1000 lockbox clients: 2
Fortune 1000 disbursement cli nts: 2
Fortune 1000 total clients: 4
Financial services clients: 15
Executive: Scott W. Fuller, vice resident and manager-cash manage ent.
Contact: Fran Dale, assistant vice resident and manager-cash manage ent sales.
C.M. professionals: 7

Fleet National Bank's Cash Manage ent Department uses the Chase ccess Services system for its balance eporting.

Its consulting group uses the First hicago model for lockbox/disburse ent studies.

lorida National Bank

225 Water St., Jacksonville, Fla.

Fortune 1000 lockbox clients: 5
Fortune 1000 disbursement clients: 2
Financial services clients: 10
Executive: Paul B. Hyson, vice president.
C.M. professionals: 15
Representative clients: Alliance Mortgage Co., Gulf Life Insurance Co., City of Jacksonville, St. Joe Paper Co.

Florida National Bank's Corporate Cash Management Department uses BankLink, MicroLink and Pronto for its balance reporting.

Its account reconciliation package was developed by Disc Inc.; its treasury workstation, by Chemical Technologies Corp. Other services offered include Pronto home and small business banking information system.

Frost National Bank

100 W. Houston, San Antonio,
Texas 78296; (512) 220-5762

Fortune 1000 lockbox clients: 1
Fortune 1000 disbursement clients: 2
Financial services clients: 5
Executive: Tom Frost III, senior vice president.
Contact: Martin Polka, cash manager — Ellison Industries.
C.M. professionals: 3

Frost National Bank's Cash Management Marketing Department uses the BankLink system for its balance reporting.

Its account reconciliation package was developed in-house.

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Harris Bank

111 W. Monroe St., Chicago, Ill.
6069[illegible] (312) 461-2121

Fortune 1000 lockbox clients: 400
Fortune 1000 disbursement clients: 100
Fortune 1000 total clients: 500
Financial services clients: 15
Executive: Roger A. Molzahn, senior vice president.
Contact: Kevin M. Connelly, vice president.
C.M. professionals: 57
Representative clients: Johnson & Johnson, Dun & Bradstreet, American Express, Motorola.

Harris Bank's Financial Services Group is a member of the Imagenet lockbox network.

It uses the BankLink system for balance reporting. Other terminal-initiated services not on the chart include DTCs, ACH credits and wires.

Its consulting group uses the University Analytics model for lockbox/disbursement studies.

The bank's account reconciliation package was developed by Disc Inc.; its treasury workstation, by ICM and BankLink. Services not specified on the charts include coin and currency.

The Huntington National Bank

41 S. High St., Columbus, Ohio
43287; (614) 463-4750

Fortune 1000 lockbox clients: 30
Fortune 1000 disbursement clients: 25
Fortune 1000 total clients: 60
Financial services clients: 130
Executive: Penelope C. Bach, vice president.
Contact: David Tate, assistant vice president (northwest and central Ohio); Jerry Meyer, assistant vice president (southwest Ohio); Frank Golling, assistant vice president (northeast Ohio).
C.M. professionals: 14

The Huntington National Bank's Cash Management Division uses the NDC system for its balance reporting. Terminal-initiated services not on the chart include ACH and internal transfers.

nix-Hecht model for lockbox/disbursement studies.

The bank provides non-commingled cash portfolio management through its trust department only.

Its account reconciliation package was developed in-house; its treasury workstation, by ADS. Other services offered include deposit reconciliation.

i

Idaho First National Bank

P.O. Box 8247, Boise, Idaho
83733; (208) 383-7349

Fortune 1000 disbursement clients: 5
Fortune 1000 total clients: 10
Financial services clients: 1
Executive: John Englehardt, assistant treasurer, Aristar Inc.
Contact: John Danielson, director of cash management, Albertsons Inc.
C.M. professionals: 7
Representative clients: Morrison-Knudsen, Albertsons Inc., Boise Cascade, Harrahs-Holiday Inns.

Idaho First National Bank's Business Services Division uses the ADP system for its balance reporting.

Services not on the chart include balance reporting, cash concentration, automated accounting programs and payroll services.

Indiana National Bank

1 Indiana Square, Indianapolis, Ind.
46266; (317) 266-6000

Fortune 1000 lockbox clients: 3
Fortune 1000 disbursement clients: 2
Fortune 1000 total clients: 12
Executive: Marsha Jay, assistant vice president.
Contact: Ms. Jay.
C.M. professionals: 5
Representative clients: Bindley Western, Ransburg, RCA, Inland Container.

Indiana National Bank Corporate Sales uses the NDC system for its balance reporting.

The consulting group uses the Phoenix-Hecht model for lockbox/disbursement studies.

Interfirst Bank Dallas

1401 Elm, Dallas, Texas 75283;
(214) 977-4025

Fortune 1000 lockbox clients: 191
Fortune 1000 disbursement clients: 163
Fortune 1000 total clients: 300
Executive: Zackie Wisdom, senior vice president.
Contact: Mr. Wisdom.
C.M. professionals: 16

Interfirst Bank Dallas' Corporate Cash Management Department is a member of the Interfirst lockbox network.

Terminal-initiated services not on the chart include ACH.

The consulting group uses the UAI model for lockbox/disbursement studies.

The group also offers ACH conversion and endpoint analysis.

Irving Trust

1 Wall St., New York, N.Y. 10015;
(212) 815-6300

Executive: Kenneth J. Soldwedel, vice president and manager.
Contact: Mr. Soldwedel.
C.M. professionals: 45

Irving Trust's Treasury Services Department has stand-alone lockbox processing facilities in Newark, N.J.

The consulting group uses the Phoenix-Hecht model for lockbox/disbursement studies.

The group offers diagnostic services as well.

Its account reconciliation package

k

Key Bank

60 State St., Albany, N.Y. 12207;
(518) 447-3539

Fortune 1000 disbursement clients: 12
Fortune 1000 total clients: 6
Financial services clients: 10
Executive: Linette A. Christiansen, vice president.
Contact: Kelly A. Mansfield, cash management officer.
C.M. professionals: 4

The Special Services Department of the Cash Management Division of Key Bank provides non-commingled cash portfolio management through an affiliate, Key Trust Co.

The department is now in the process of converting to Disc for its account reconciliation.

l

LaSalle National Bank

135 S. LaSalle St., Chicago, Ill.
60690; (312) 443-2000

Financial services clients: 50
Executive: Michael D. Lindsey, vice president.
Contact: Mr. Lindsey.
C.M. professionals: 7

LaSalle National Bank's Cash Management Division uses the ADP system for its balance reporting.

The consulting group uses various models for lockbox/disbursement studies.

Its account reconciliation package was developed in-house; its treasury workstation, by Integrated Cash Management Systems.

Liberty National Bank

416 W. Jefferson St., Louisville, Ky.
40202; (502) 566-2494

Fortune 1000 lockbox clients: 3
Fortune 1000 disbursement clients: 2
Fortune 1000 total clients: 5
Executive: John D. Sweeney, senior vice president.
Contact: Mr. Sweeney.
C.M. professionals: 5
Representative clients: Coca-Cola, Brown-Forman, Blue Cross/Blue Shield, Humana.

Liberty National Bank's Corporate Cash Management Department uses the NDC system for its balance reporting. Terminal-initiated services not on the chart include deposit reporting and treasury management system.

The consulting group uses the Phoenix-Hecht model for lockbox/disbursement studies.

Its account reconciliation package was developed by Disc Inc.; its treasury workstation, by NDC.

The Liberty National Bank and Trust Co. of Oklahoma City

P.O. Box 25848, Oklahoma City,
Okla. 73125; (405) 231-6852

Fortune 1000 lockbox clients: 5
Fortune 1000 total clients: 5
Contact: John P. Jewell, assistant vice president.
C.M. professionals: 4
Representative clients: Santa Fe Railroad, Exxon, Macklanburg-Duncan.

The Liberty National Bank and Trust Co. of Oklahoma City's Commercial Cash Management Department uses the Cash Management Exchange system for its balance reporting.

Its account reconciliation package

sury workstation, by National Data Corp.

m

Manufacturers Hanover

270 Park Ave., New York, N.Y.
10017; (212) 286-6000

Executive: James P. Witkins, vice president.
C.M. professionals: 145

Manufacturers Hanover's Financial Services Group is a member of the US$NET lockbox network.

It uses the National Data Corp. balance reporting system for data exchanges with other banks. Terminal-initiated stop payments are available in New York; controlled disbursement in Delaware.

Other terminal-initiated services not on the chart include global exposure and global account reports.

The bank has international lockboxing sites in London, Toronto, Frankfurt and Milan.

The consulting group uses the UAI-Duke model LBX-4.0, DSB-3.0; the group also offers treasury consulting.

Its treasury workstation was developed in-house by MH Financial Management Systems Inc.

The IBM system was developed by MH Financial Management Systems Inc. in conjunction with ADS.

Manufacturers National Bank of Detroit

Renaissance Center — Tower 100,
Detroit, Mich. 48243; (313)
222-4454

Fortune 1000 lockbox clients: 60
Fortune 1000 disbursement clients: 35
Fortune 1000 total clients: 95
Financial services clients: 14
Executive: Thomas B. Craigie, vice president and senior corporate services officer.
Contact: Henry Seavitt, second vice president.
C.M. professionals: 9
Representative clients: Ford, National Steel, Taubman, Detroit Edison.

Manufacturers National Bank's Corporate Services Department uses the BankLink system for its balance reporting.

Its consulting group uses the University Analytics model for lockbox/disbursement studies.

Its account reconciliation package was developed by Disc Inc.

Other services offered include U.S. savings bonds issuance.

Manufacturers & Traders Trust Co.

1 M&T Plaza, Buffalo, N.Y. 14240;
(716) 626-3787

Financial services clients: 300
Executive: J.R. Bindhammer, assistant vice president.
Contact: Alan A. DiGrace, banking officer.
C.M. professionals: 2

Manufacturers & Traders Trust Co.'s Commercial Services Department uses the Chase Access Services system for its balance reporting.

Its account reconciliation package was developed in-house (ARP-Disc).

Marine Bank

111 E. Wisconsin Ave., Milwaukee,
Wis. 53202; (414) 765-2814

C.M. professionals: 4

Marine Bank uses the BankLink system for its balance reporting.

It uses the Phoenix-Hecht model for lockbox/disbursement studies. Its account reconciliation package was

Marquette Bank Minneapolis

Sixth and Marquette, Minneapolis,
Minn. 55480; (612) 341-5650

Financial services clients: 185

Executive: Reid Evenson, assistant vice president and manager-cash management.

Contacts: Diane Hefner and Mary Dredge, assistant vice presidents-cash management.

C.M. professionals: 3

Marquette Bank Minneapolis' Cash Management Department uses the ADP system for its balance reporting.

The bank's account reconciliation package, IRP, was developed by Systematics.

MBank Houston

P.O. Box 2629, Houston, Texas
77252; (713) 751-6100

Fortune 1000 lockbox clients: 35

Fortune 1000 disbursement clients: 15

Fortune 1000 total clients: 79

Financial services clients: 50

Executive: Stephen M. Samford, vice president.

Contact: Dean V. Loehr, vice president.

C.M. professionals: 13

Representative clients: Exxon, Ingersoll-Rand, Armco Steel, PPG Industries.

MBank Houston's Corporate Services Department uses the Chase Access Services system for its balance reporting. Terminal-initiated services not on the chart include ACH.

The consulting group uses the Phoenix-Hecht model for lockbox/disbursement studies.

Its account reconciliation package was developed by Disc On-line; its treasury workstation, by Chase Access Services. Other services offered include freight payment.

Mellon Bank

1250 1 Mellon Bank Center,
Pittsburgh, Pa. 15258-0001; (412)
234-8930

Fortune 1000 total clients: 250

Financial services clients: 45

Executive: Theodore M. Mertz, senior vice president.

Contact: Edward J. Pierson, vice president.

C.M. professionals: 250

Mellon Bank's Global Cash Management Group has stand-alone lockbox processing facilities in Pittsburgh, Philadelphia, Boston, Dallas, Los Angeles and Chicago.

Terminal-initiated services not on the chart include concentration of funds, automated investment, automated borrowing, intracompany or corporate-vendor funding.

The bank has international lockbox collection sites in London and Toronto.

The consulting group uses the UAI model, and a mainframe and micro model developed in-house for lockbox/disbursement studies. The group also offers working capital and international treasury consulting, bank price analyzer, bank balance analyzer and corporate electronic payment evaluation models.

The bank had taxable assets of $4.1 billion under management as of April 30.

Multitiered zero-balance account services can be simulated through Telecash.

The bank's account reconciliation package was developed by Disc Inc.; its treasury workstation, by Mellon Bank.

Mercantile Bank

P.O. Box 524, St. Louis, Mo.
63166; ([illegible]) 425-8366

Fortune 1000 lockbox clients: 65

Fortune 1000 disbursement clients: 45

Fortune 1000 total clients: 160

Financial services clients: 11

Executive: Leo M. Malone, senior

Contact: Mr. Malone.

C.M. professionals: 17

Mercantile Bank's Financial Services Division uses the National Data Corp. for its balance reporting.

Its consulting group uses the Duke 4.0 model for lockbox/disbursement studies. The group also offers current system reviews.

The bank's account reconciliation package was developed by Disc Inc.; its treasury workstation, by Capital Systems MicroCTS.

Merchants National Bank & Trust Co. of Indianapolis

1 Merchants Plaza, Indianapolis,
Ind. 46255; (317) 267-7572

Executive: Laura A. Bonsett, vice president and manager-corporate services.

Contact: Ms. Bonsett.

C.M. professionals: 7

Representative clients: Indiana Gas, Associated Dry Goods, Indiana Farm Bureau Co-op.

Merchants National Bank & Trust Co. of Indianapolis' Corporate Services Department uses the BankLink system for balance reporting.

The bank's account reconciliation package was developed by Disc Inc.; its treasury workstation, by BankLink.

Meridian Bank

P.O. Box 1102, Reading, Pa.
19603; (215) 320-2909

Fortune 1000 total clients: 27

Executive: Leonard J. Keating, senior vice president.

Contact: Mari A. Prudente, assistant vice president.

Meridian Bank's Corporate and Financial Services Division has stand-alone lockbox processing facilities in Philadelphia and Reading, Pa.

It uses the Chase Access Services system for its balance reporting. Terminal-initiated services not on the chart include depository transfer.

The consulting group uses the UAI micro model for lockbox/disbursement studies. The group also offers cash concentration and cash management system design.

Its account reconciliation package was developed by Disc Inc. Other services include lockbox data transmission, automatic payback (to line of credit), pre-encoded deposits, bulk cash processing, correspondent banking and over-the-counter collections for utilities.

Michigan National Corporation Banks

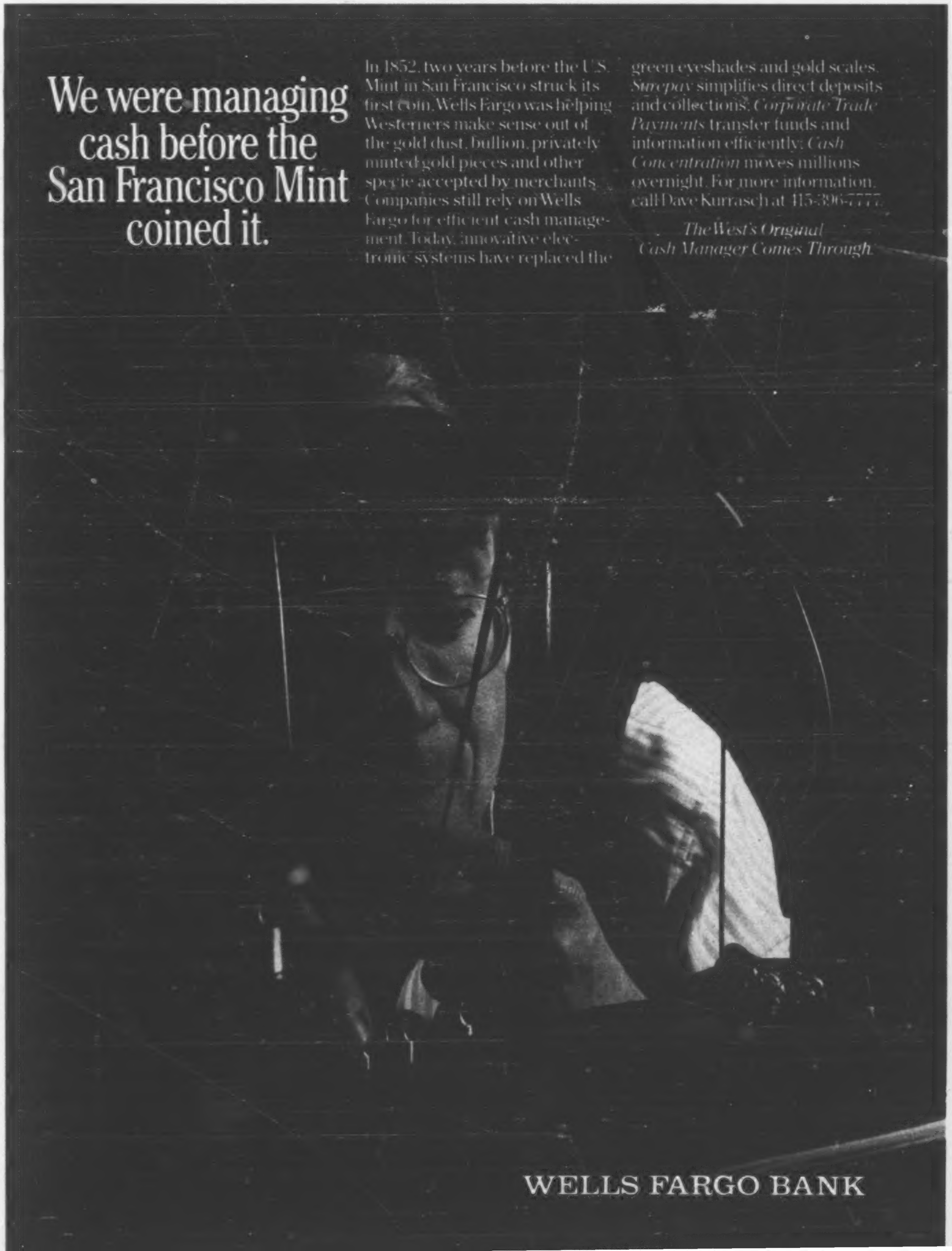
100 N. Crooks, Clawson, Mich.
48017; (313) 280-6200

Executive: John P. Finerty.

Contact: Daniel Pearce.

C.M. professionals: 15

Michigan National Corporation Banks' Service Products Division uses the ADP system for balance reporting.


We were managing cash before the San Francisco Mint coined it.

In 1852, two years before the U.S. Mint in San Francisco struck its first coin, Wells Fargo was helping Westerners make sense out of the gold dust, bullion, privately minted gold pieces and other specie accepted by merchants. Companies still rely on Wells Fargo for efficient cash management. Today, innovative electronic systems have replaced the green eyeshades and gold scales. *Surepay* simplifies direct deposits and collections; *Corporate Trade Payments* transfer funds and information efficiently; *Cash Concentration* moves millions overnight. For more information, call Dave Kurrasch at 415-396-7777.

The West's Original
Cash Manager Comes Through.

WELLS FARGO BANK

The consulting group uses the First Chicago model for lockbox/disbursement studies.

Its account reconciliation package was developed by Disc; its treasury workstation, by Capital Systems.

Midlantic Banks Inc.

Metro Park Plaza — P.O. Box 600,
Edison, N.J. 08818; (201)
321-8000

Fortune 1000 lockbox clients: 50

Fortune 1000 disbursement clients: 35

Fortune 1000 total clients: 35

Financial services clients: 20

Executive: Charles A. Assdin, vice president-corporate services.

Contact: Keith Kulper, vice president-cash management.

C.M. professionals: 7

Midlantic Bank's Corporate Services Department has stand-alone lockbox processing facilities in Philadelphia.

It uses the ADP system for its balance reporting.

The consulting group uses the Duke model (using an outside vendor) for lockbox/disbursement studies.

The bank's taxable assets under management as of April 30 were $75 million.

Its account reconciliation was developed in-house; its treasury workstation, by ADP. Other services offered include currency.

M&I Marshall & Ilsley Bank

770 N. Water St., Milwaukee, Wis.
53202; (414) 765-7950

Fortune 1000 lockbox clients: 30

Fortune 1000 disbursement clients: 10

Fortune 1000 total clients: 50

Financial services clients: 20

Executive: John G. McGlynn, assistant vice president.

Contact: Mr. McGlynn

C.M. professionals: 7

M&I Marshall & Ilsley Bank's Corporate Services Department uses the Automatic Data Processing system for its balance reporting.

The consulting group uses the Phoenix-Hecht model for lockbox/disbursement studies.

Its account reconciliation package was developed in-house.

Morgan Guaranty Trust Co.

23 Wall St., New York, N.Y. 10015;
(212) 483-1252

Fortune 1000 disbursement clients: 300

Fortune 1000 total clients: 750

Financial services clients: 100

Executive: John W. Field Jr., senior vice president.

Contact: James Van Wagner, vice president.

C.M. professionals: 50

Representative clients: IBM, GM, Procter & Gamble, Prudential.

The consulting group of Morgan Guaranty Trust Co.'s Operations Services Department offers studies in treasury management, concentration, disbursement and international money transfer.

Its account reconciliation package was developed by Disc Comprehensive.

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National Bank of Detroit

611 Woodward Ave., Detroit, Mich.
48226; (313) 225-3678

Fortune 1000 lockbox clients: 83

Executive: Peter J. Stein, vice president and manager.

Contact: Mr. Stein.

National Bank of Detroit's Corporate Cash Management Department's terminal-initiated services not on the chart

The consulting group uses the Phoenix-Hecht model for lockbox/disbursement studies.

Its account reconciliation package was developed by Disc Inc.; its treasury workstation was developed in-house.

National City Bank

E. Ninth and Euclid Ave.,
Cleveland, Ohio 44101; (216)
575-2417

Fortune 1000 lockbox clients: 200

Fortune 1000 disbursement clients: 80

Fortune 1000 total clients: 375

Executive: Gary P. Obers, vice president, and Robert B. Bargar.

Contact: Mr. Obers

C.M. professionals: 20

National City Bank's Corporate Cash Management Department is a member of the US$NET lockbox network.

The bank uses the ADP system for its balance reporting. Terminal-initiated services not on the chart include ACH credits and debits.

The consulting group uses the UAI Model Release 4.0 model for lockbox/disbursement studies.

Its account reconciliation package was developed by Disc Inc. The treasury workstation was developed by Capital Systems Group. Other services include deposit reconciliation.

National Westminster Bank

175 Water St., New York, N.Y.
10038; (212) 602-2547

Fortune 1000 lockbox clients: 8

Fortune 1000 disbursement clients: 11

Fortune 1000 total clients: 16

Financial services clients: 8

Executive: Vickie Reynolds Akelman, senior vice president.

Contact: Robert Jaffe or William Seeman, vice presidents.

C.M. professionals: 16

National Westminster Bank USA's Corporate Cash Management Division offers retail and automated wholesale lockboxing on a selected basis. The bank has stand-alone lockbox processing facilities in Huntington, N.Y.

The bank uses the Chase Access system for its balance reporting. Terminal-initiated services not on the chart include intraday depository transfer activity reporting.

It has international lockboxing in London.

The consulting group uses the Phoenix-Hecht micro model for lockbox/disbursement studies.

Its account reconciliation system was developed by Disc System.

NBC Bank-San Antonio

430 Soledad, San Antonio, Texas
78205; (512) 229-2382

Fortune 1000 lockbox clients: 1

Financial services clients: 6

Executive: Edwin E. "Gene" Clarke Jr., vice president.

Contact: Karen R. Brown, assistant vice president.

C.M. professionals: 2

Representative clients: Diamond Shamrock, H.B. Zachry, Rogers Cablesystems, Target Stores.

NBC Bank-San Antonio's Corporate Cash Management Department uses National Data Corp.'s system for its balance reporting. Terminal-initiated services not on the chart include information/deposit reporting through NDC.

The bank's account reconciliation package was developed in-house; its treasury workstation by National Data Corp. Other services include automated accounting services through ADP.

NCNB National Bank

1 NCNB Plaza, T18-1, Charlotte,
N.C. 28255; (704) 374-5698

Executive: H.D. "Buddy" LeTourneau, senior vice president.

Contact: Bob Grant and Austin Pril-

Georgia; Rubye Rollins, Florida.

C.M. professionals: 45

NCNB National Bank's Cash Management Division has stand-alone lockbox processing facilities in Tampa, Fla.

It uses the BankLink system for its balance reporting. Other terminal-initiated services include check inquiries.

The consulting group uses University Analytics models for its lockbox/disbursement studies. The group also offers treasury audits and consulting.

The bank's taxable assets under management as of April 30 were $7.2 billion.

Its account reconciliation system was developed by Disc Inc.; its treasury workstation, by ADS Associates. Other services include freight payment services.

The Northern Trust Bank

50 S. LaSalle St., Chicago, Ill.
60675; (312) 630-6000

Fortune 1000 lockbox clients: 640

Fortune 1000 disbursement clients: 200

Fortune 1000 total clients: 675

Financial services clients: 114

Executive: Joseph M. Jarosz, senior vice president.

Contact: Maureen H. Keane, vice president.

C.M. professionals: 45

The Northern Trust Bank's Cash Management Department has overseas lockboxing in London.

The study group uses the UAI model for lockbox/disbursement studies.

Its account reconciliation package was developed in-house. Other services provided include personal computer-based software to receive lockbox receivable data; reconcile corporate charge accounts; initiate ACH transactions; initiate wire transfers; and initiate letters of credit.

Norwest Bank Billings

175 N. 27th St., P.O. Box 30058,
Billings, Mont. 59117; (406)
657-3442

Fortune 1000 total clients: 5

Executive: Terri McMillan.

C.M. professionals: 2

Norwest Bank Billings' Cash Management Division's consulting group uses the University Analytics model for its lockbox/disbursement studies.

Its account reconciliation package was developed by Disc II.

Norwest Bank Des Moines

666 Walnut, Des Moines, Iowa
50309; (515) 245-3262

C.M. professionals: 2

Norwest Bank Des Moines' Cash Management Sales Department uses the NDC system for its balance reporting as well as an in-house system.

Norwest Bank Minneapolis

Eighth Street and Marquette
Avenue, Minneapolis, Minn. 55479;
(612) 372-8226

Executive: Scott Peterson, vice president-product manager; Rick Ferris, vice president-sales manager.

Contact: Messrs. Peterson or Ferris.

C.M. professionals: 30

Norwest Bank Minneapolis' Cash Management Division's consulting group has international lockboxing in London.

It uses the University Analytics model for its lockbox/disbursement studies.

Its account reconciliation system was developed by Disc II.

Norwest Bank Omaha

20th and Farnam Streets, Omaha,
Neb. 68102; (402) 536-2001

Financial services clients: 6

Executive: Ed Ostransky, vice president.

C.M. professionals: 4

Norwest Bank Omaha's Cash Management Department's account reconciliation package was developed by Disc II.

Norwest Bank St. Paul

55 E. Fifth St., St. Paul, Minn.
55101; (612) 291-2236

Executive: Jane O'Connor, manager.

Contact: Ms. O'Connor.

C.M. professionals: 3

Norwest Bank St. Paul's Cash Management Division has stand-alone lockbox processing facilities in Minneapolis.

It has overseas lockbox collection in London.

The consulting group uses the University Analytics model for its lockbox/disbursement studies.

The account reconciliation package was developed by Disc II.

Norwest Bank South Dakota

P.O. Box 1028, Sioux Falls, S.D.
57117; (605) 339-7429

Financial services clients: 3

Executive: Donald S. Hooper, vice president and client executive.

Contact: Mr. Hooper.

C.M. professionals: 2

Norwest Bank South Dakota's Cash Management Division has overseas lockbox collection sites in London. Its account reconciliation package was developed by Disc II.

Other services offered include daily sweep/investment service and automated cross-capture at 37 statewide branches.

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Old Kent Bank & Trust Co.

P.O. Box 100, Grand Rapids, Mich.
49501; (616) 774-5509

Executive: David W. Lubbers, vice president.

Contact: Larry A. Pinckney, assistant vice president.

C.M. professionals: 2

Old Kent Bank & Trust Co.'s Corporate Services Department's account reconciliation package was developed by Disc Inc.

Other services offered include corporate financial forecasting model.

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Philadelphia National Bank

Broad and Chestnut Streets,
Philadelphia, Pa. 19101; (215)
629-5628

Fortune 1000 lockbox clients: 104

Fortune 1000 disbursement clients: 60

Fortune 1000 total clients: 200

Financial services clients: 73

Executive: Percival B. Moser III, senior vice president.

Contact: Mr. Moser.

C.M. professionals: 50

Philadelphia National Bank's Corporate and Institutional Products and Services Department is a member of the Imagenet lockbox network.

The bank uses the BankLink system for its balance reporting. Terminal-initiated services not on the chart include ACH and international payments.

The bank has overseas lockboxing sites in Europe and Asia.

The consulting group uses the UAI model for lockbox/disbursement studies. The group also offers balance management and international collec-

Its treasury workstation was developed by MicroCTS. Other service include worldwide trade services.

Pittsburgh National (Affiliate of PNC Financial Corp.)

Fifth Avenue and Wood Street,
Pittsburgh, Pa. 15265; (412)
355-2858

Fortune 1000 lockbox clients: 200

Fortune 1000 disbursement clients: 80

Fortune 1000 total clients: 300

Financial services clients: 20

Executive: Robert D. Edwards, vice president and manager-cash management department.

Contact: Mr. Edwards.

C.M. professionals: 35

Pittsburgh National's Cash Management Department is a member of the AccelaNet lockbox network. The bank has stand-alone lockbox processing facilities in Pittsburgh, Dallas, Houston and Philadelphia.

The bank uses the BankLink system for its balance reporting. Terminal-initiated services not on the chart include ACH and CTP.

The consulting group uses the University Analytics model for lockbox/disbursement studies.

The group also offers treasury system analysis.

Pittsburgh National had $100 million in taxable assets under management as of April 30.

Its account reconciliation package was developed by Disc Inc.; its treasury workstation, by ADS.

Provident National Bank

Broad and Chestnut Streets,
Philadelphia, Pa. 19101; (215)
585-6614

Executive: Charles Huffman, vice president and manager-cash management department.

C.M. professionals: 10

The Corporate Services Cash Management Department is a member of the PNC Financial AccelaNet lockboxing network.

The bank uses the NDC system for its balance reporting.

The consulting group uses the University Analytics-Duke IV model for lockbox/disbursement studies.

The bank uses the Disc system for its account reconciliation.

ADS developed the treasury workstation.

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Rainier National Bank

600 University, P.O. Box 3966,
Seattle, Wash. 98124; (206)
621-4326

Fortune 1000 lockbox clients: 25

Fortune 1000 disbursement clients: 25

Fortune 1000 total clients: 50

Financial services clients: 10

Executive: James B. Pellegrino, vice president and manager.

Contact: Mr. Pellegrino.

C.M. professionals: 9

Representative clients: Paccar, Weisfield's.

Rainier National Bank's Cash Management Consulting Group is a member of the US$NET lockboxing network, a service provider only. The bank has stand-alone processing facilities in Portland, Ore., and Anchorage, Alaska.

It uses the ADP system for its balance reporting.

The bank has overseas lockbox sites in Asia.

The consulting group uses the CO-Banks model for lockbox/disbursement studies.

Its account reconciliation package was developed by Disc Inc.; its treasury workstation by MicroCTS (Capital

RepublicBank Dallas/Houston

P.O. Box 225961, Dallas, Texas
75265; (214) 922-6861

Executive: Paul A. Stotts, senior vice president.

Contact: Shirley J. Gilmer, vice president.

The Corporate Financial Services Departments of RepublicBank Dallas and RepublicBank Houston are members of the Imagenet lockbox network, with stand-alone lockbox processing facilities in Houston.

The banks use the ADP system for balance reporting.

Their account reconciliation packages were developed by Disc Inc.; the treasury workstations, by ADS.

The Riggs National Bank

P.O. Box 1912, Washington, D.C.
20074; (202) 835-6000

Executive: William H. Kitt, senior vice president.

Contact: Mr. Kitt.

C.M. professionals: 10

The Cash Management Division of Riggs National Bank uses the ADP system for its balance reporting.

Its account reconciliation package was developed by Disc Inc.

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Seattle-First National Bank

P.O. Box 3586, Seattle, Wash.
98124; (206) 442-3286

Executive: David L. Boyles, senior vice president and manager.

Contact: Joan Enticknap, vice president-marketing and customer services.

C.M. professionals: 30

Seattle-First National Bank's Financial Technologies Division uses the NDC system for its balance reporting.

Its account reconciliation package was developed by Disc Inc.; its treasury workstation was developed in-house.

Security Pacific National Bank

333 S. Hope St., Los Angeles,
Calif. 90071; (213) 613-6211

Fortune 1000 lockbox clients: 300

Fortune 1000 disbursement clients: 600

Fortune 1000 total clients: 700

Financial services clients: 200

Executive: Terry L. Feder, senior vice president.

Contact: Charles Whitney, vice president.

Security Pacific National Bank's Corporate Cash Management Department is a member of the Imagenet lockbox network. It has stand-alone lockbox processing facilities in San Francisco and San Diego.

The bank uses the Payment Network for disbursement services.

It has overseas lockbox sites in London, Toronto and Frankfurt.

Its consulting group offers bank analysis.

The bank's account reconciliation package was developed in-house; its treasury workstation by ICM. Other services include electronic information and financial market information.

Shawmut Bank of Boston

1 Federal St., Boston, Mass.
02211; (617) 292-2020

Executive: Peter G. Galligan, vice president.

C.M. professionals: 17

Shawmut's Corporate Services Group offers terminal-initiated bill payment and uses the Phoenix-Hecht mainframe and micro models for its lockbox/disbursement studies.

reconciliation; IBM Treasury Manager developed the treasury workstation.

Other services include government check intercept, federal tax payments, automatic investment, general accounting applications and payroll.

Society National Bank

800 Superior Ave. N.E., Cleveland,
Ohio 44114; (216) 344-3000

Fortune 1000 lockbox clients: 25

Fortune 1000 disbursement clients: 15

Fortune 1000 total clients: 50

Financial services clients: 10

Executive: Bruce G. Keenen, vice president and manager.

Contact: Mr. Keenen.

C.M. professionals: 7

Society National Bank's Corporate Cash Management Department uses the BankLink system for its balance reporting. Terminal-initiated services not on the chart include depository transfer check/EFT debits.

The consulting group uses the Duke 4.0 model for lockbox/disbursement studies.

Southeast Bank

1 Southeast Financial Center,
Miami, Fla. 33131; (305) 375-6675

Fortune 1000 lockbox clients: 46

Fortune 1000 disbursement clients: 61

Fortune 1000 total clients: 225

Executive: Robert Schoen, senior vice president.

Contact: Patrick McElhaney, assistant vice president.

C.M. professionals: 25

Southeast Bank's Corporate Services Department has stand-alone lockbox processing facilities in Tampa, Fla.

It uses the BankLink system for its balance reporting. Terminal-initiated services not on the chart include ACH/DTC.

Its account reconciliation package was developed by Disc Inc.; its treasury workstation by ICM/BankLink.

International advisers: Aug. 4.

Sovran Bank

P.O. Box 27025, Richmond, Va.
23261; (804) 788-2424

Executive: Michael W. Paulette, senior vice president.

Contacts: Gloria M. Daout, vice president; Jeffrey W. Lovejoy, vice president.

C.M. professionals: 25

Sovran Bank's Cash Management Department has stand-alone lockbox processing facilities in Richmond, Norfolk, Roanoke and Northern Virginia.

For balance reporting, the bank uses NDC and BankLink.

The consulting group uses the Duke model for lockbox/disbursement studies.

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The man behind the T-shirt is mild-mannered Leo Malone, Senior Vice President, Financial Services Division, Mercantile Bank N.A., Mercantile Tower, P.O. Box 524, St. Louis, Missouri 63166.

MERCANTILE
BANK
The resourceful bank

Member FDIC

*As defined by the most recent Phoenix-Hecht mail collection and availability study.

Its account reconciliation package was developed by Disc Inc.; its treasury workstation, by Future Technologies Inc.

Sovran Bank/Maryland

6610 Rockledge Drive, Bethesda,
Md. 20817; (301) 493-2861

Executive: Janice L. Claudio, vice president.

Contact: Karen Thor, assistant vice president.

C.M. professionals: 13

Sovran Bank/Maryland's Cash Management Department uses the ADP system for its balance reporting.

The consulting group uses the Duke model for its lockbox/disbursement studies.

The account reconciliation system was developed by Disc.

State Street Bank & Trust

225 Franklin St., Boston, Mass.
02101; (617) 654-3680

Fortune 1000 lockbox clients: 20

Fortune 1000 disbursement clients: 35

Fortune 1000 total clients: 100

Financial services clients: 20

Executive: W.H. Kieffer III, vice president.

Contact: Randal L. McGathey, vice president, (617) 654-3663.

C.M. professionals: 15

State Street Bank & Trust Co.'s Corporate Services Department uses NDC-Cash Exchange for its balance reporting.

The consulting group uses the UAI/Phoenix-Hecht models for its lockbox/disbursement studies.

The account reconciliation package was developed by Disc Inc.

Sun Banks Inc.

P.O. Box 3833, Orlando, Fla.
32897; (305) 237-4015

Executive: Robert W. Pledger, senior vice president.

Contact: Letitia B. Gavin, vice president.

C.M. professionals: 16

Sun Bank Inc.'s Business Services Department has stand-alone lockbox processing facilities in Miami and Orlando, Fla.

The bank uses the NDC-CMX system for its balance reporting.

The consulting group uses the Phoenix-Hecht/University Analytics models for lockbox/disbursement studies.

Its account reconciliation package was developed by Disc Inc.; its treasury workstation, by Capital Systems Group Inc.

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Texas American Bancshares

P.O. Box 2050, Fort Worth, Texas
76113; (817) 338-8656

Fortune 1000 lockbox clients: 25

Fortune 1000 disbursement clients: 15

Fortune 1000 total clients: 75

Financial services clients: 20

Executive: Grant Ferguson, vice president-corporate customer services manager.

Contact: Mr. Ferguson.

C.M. professionals: 6

Representative clients: MCI Telecommunications, Texas Electric Service, Skaggs, Curtis Mathes.

Texas American Bancshares' Corporate Customer Services has stand-alone lockbox processing facilities in Houston.

The bank uses the National Data Corp. system for its balance reporting. Terminal-initiated services not on the chart include cash concentration.

The consulting group uses the Duke model for lockbox/disbursement studies.

Its account reconciliation package was developed by Disc; its treasury workstation, by Arthur Young.

Other services offered include the ability to spread investments throughout the 34 banks of Texas American Bancshares to have a larger portion of deposits covered by the FDIC.

Texas Commerce Bank — Houston

P.O. Box 2558, Houston, Texas
77252-8081; (713) 236-6320

Executive: Jerry N. Boynton, senior vice president.

Contact: John E. McKennie, vice president.

C.M. professionals: 23

Texas Commerce Bank — Houston's Corporate Management Department is a member of the AccelaNet lockboxing network.

It uses BankLink for its balance reporting. Terminal-initiated services not on the chart include ACH and DTC.

The bank had $7 billion of taxable assets under management as of April 30.

Its account reconciliation package was developed by Disc Comprehensive; its treasury workstation, by Capital Systems Group. Other services offered include check safekeeping and commercial deposit services.

Third National Bank in Nashville

201 Fourth Ave. N., Nashville,
Tenn. 37244; (615) 748-4038

Fortune 1000 lockbox clients: 10

Fortune 1000 disbursement clients: 14

Fortune 1000 total clients: 121

Financial services clients: 29

Executive: James A. Robertson, senior vice president-corporate services.

Contact: Jeffrey W. Parker, assistant vice president.

C.M. professionals: 15

Representative clients: Northern Telecom, Service Merchandise, Hospital Corp. of America, Vanderbilt University.

Third National Bank in Nashville's Corporate Services Department uses the BankLink system for its balance reporting. Its terminal-initiated letters of credit are not part of BankLink.

The consulting group uses University Analytics' model for lockbox/disbursement studies.

Its account reconciliation package was developed by Disc Comprehensive; its treasury workstation, by BankLink. Other services offered include data transmission and consolidation.

Toledo Trust Co.

3 Seagate, Toledo, Ohio 43603;
(419) 259-8556

Fortune 1000 disbursement clients: 1

Fortune 1000 total clients: 1

Financial services clients: 4

Executive: Marylou Zaloudek, vice president.

Contact: Harriet Clemens, corporate services representative.

C.M. professionals: 9

Trust Company Bank

P.O. Box 4418, Atlanta, Ga. 30302;
(404) 588-7115

Financial services clients: 9

Executive: Ward H. Gailey, group vice president.

Contact: Mr. Gailey.

C.M. professionals: 9

Trust Company Bank's Corporate Services Department uses the National Data Corp. system for its balance reporting. Terminal-initiated services not on the chart include concentration service.

The consulting group uses the UAI model for lockbox/disbursement studies.

Its account reconciliation package was developed by Disc Inc.; its treasury workstation, by IBM. Other services include concentration service and data transmission.

It's called vision. The ability to see, really see, how all the pieces fit together.

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That's why our people bring more to the cash management equation than facts, figures and formulas.

True Genius Lies In The
Without Losing Sight

Because it's factors like timing, intuition and the ability to see the broader picture that are the true masterstrokes of financial genius today.

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Union Bank

445 S. Figueroa St., Los Angeles,
Calif. 90071; (213) 236-5683

Executive: Ronald B. Watkins.

C.M. professionals: 43

Union Bank's Cash Management Consulting Department uses the Phoenix-Hecht model for lockbox/disbursement studies.

Its account reconciliation package was developed in-house; its treasury workstation, by ADS.

United Bank of Denver

1700 Broadway, Denver, Colo.
80274; (303) 863-6183

Fortune 1000 lockbox clients: 100

Fortune 1000 disbursement clients: 200

Fortune 1000 total clients: 300

Financial services clients: 100

Executive: Peter E. Hosokawa, senior vice president.

Contact: Mr. Hosokawa.

C.M. professionals: 17

United Bank of Denver's Corporate Business Development/Cash Management Department is a member of the US$NET lockbox network.

The bank uses the NDC system for its balance reporting. Terminal-initiated services not on the chart include research inquiries.

The bank's account reconciliation package was developed by Disc Inc.; its treasury workstation, by Wells Fargo Bank.

United Jersey Bank

25 E. Salem St., Hackensack, N.J.
07602; (201) 646-5334

Fortune 1000 lockbox clients: 25

Fortune 1000 disbursement clients: 5

Fortune 1000 total clients: 50

Financial services clients: 10

Executive: Michael J. Dunn, vice president-corporate services.

Contact: Mr. Dunn.

C.M. professionals: 4

United Jersey Bank's Corporate Services Department has stand-alone lockbox processing facilities in Cherry Hill, N.J.

The bank uses the Chase Access system for its balance reporting. Terminal-initiated services not on the chart include cash concentration.

The consulting group uses the Phoenix-Hecht model for lockbox/disbursement studies.

Its account reconciliation package was developed by Disc Inc.

United Missouri Bank of Kansas City

10th and Grand, Kansas City, Mo.
64141; (816) 556-7000

Executive: Gary F. Foltz, senior vice president.

Contact: Michael Porter, vice president.

C.M. professionals: 6

United Missouri Bank of Kansas City's Corporate Services Department has stand-alone lockbox processing facilities in St. Louis.

The bank uses the ADP system for its balance reporting.

For lockbox/disbursement studies, the consulting group uses its own model and the Phoenix-Hecht model. The group also offers consulting services.

As of April 30, the bank had $901 million in taxable assets under management.

Its account reconciliation package was developed by Disc Inc.; its treasury workstation, by ADP and in-house. Other services offered include ASTs, ACH concentration, corporate draw, DTCs, freight payment and PACs.

A look at how pension funds are using venture capital: Nov. 24.

United States National Bank of Oregon

P.O. Box 4412, Portland, Ore.
97208; (503) 225-6439

Fortune 1000 lockbox clients: 62

Fortune 1000 disbursement clients: 28

Fortune 1000 total clients: 73

Financial services clients: 580

Executive: Richard M. Carey, vice president and manager-cash management.

C.M. professionals: 12

Representative clients: AT&T, K mart, Crown Zellerbach, Jantzen.

United States National Bank of Oregon's Cash Management Services Department is a member of the First National Bank of Chicago's lockboxing network. The bank has stand-alone lockbox processing facilities at FNB Chicago sites.

The bank uses the ADP system for its balance reporting. Terminal-initiated services not on the chart include MM investments and ACH transfers.

The consulting group uses the Phoenix-Hecht model for lockbox/disbursement studies.

Its taxable assets under management as of April 30 were $130 million.

The bank's account reconciliation package was developed by Disc Inc.

United Virginia Bank

919 E. Main St., Richmond, Va.
23219; (804) 782-7553

Fortune 1000 lockbox clients: 12

Fortune 1000 disbursement clients: 14

Fortune 1000 total clients: 28

Financial services clients: 67

Executive: Stephen E. Arnold, senior vice president.

Contact: Richard F. Smith, vice president.

C.M. professionals: 38

United Virginia Bank's Corporate Services Department uses the NDC system for its balance reporting.

The consulting group uses the Phoenix-Hecht model for lockbox/disbursement studies.

Its account reconciliation package was developed by Disc Inc. — System III; its treasury workstation, by MicroCTS and NDC-Treasury Manager.

W

Wells Fargo Bank

464 California St., MAC 0101-095,
San Francisco, Calif. 94104; (415)
396-7777

Executive: David Kurrasch, vice president and manager-sales.

C.M. professionals: 65

Wells Fargo Bank's Cash Management Division — Information Services Group is a member of the US$NET lockboxing network.

The bank's treasury workstation was developed in-house.

Wilmington Trust Co.

Rodney Square North, Wilmington,
Del. 19890; (302) 651-8082

Executive: Marion S. Marine, banking officer and manager-corporate banking services.

Contact: Ms. Marine.

Wilmington Trust Co.'s Corporate Banking Services' treasury workstation was developed in-house.

Pension & Investment Age's annual profile of the nation's leading investment management consulting firms is scheduled to appear Nov. 10. Also in that issue will be the third quarter Pensions & Investments' Performance Evaluation Report results.

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SOVRAN BANK℠
Cash Management Services

U.S. associations

California

Peninsula Cash Management Association

Corporate membership: 50

Meetings: Second Wednesdays, except July and January.

Membership fee: $150

Contact: Lynn Cox, 401 Broadway MSI-38, Redwood City, Calif. 94063-3199; (415) 367-2919.

Cash Management Association of San Diego

Corporate membership: 56

Corporate members: Aerojet General, PSA, Price Co., Copley Press.

Meetings: Bimonthly.

Membership fee: $145

Contact: David Wilken, P.O. Box 1831, San Diego, Calif., 92112; (619) 696-4049.

Cash Management Association of Southern California

Corporate membership: 90

Meetings: Nine meetings a year, plus an annual exposition.

Membership fee: $75

Contact: Ellen M. Higgins, Cash Management-10th Floor, Wells Fargo Bank, 444 S. Flower St., Los Angeles, Calif. 90071; (213) 253-6279.

Colorado

Colorado Cash Management Association

Corporate membership: 125

Meetings: Monthly

Membership fee: $40

Contact: H.R. Sessions, Public Service Co. of Colorado, P.O. Box 840, Room 850, Denver, Colo. 80201-0840; (303) 571-7753.

Connecticut

Central Connecticut Cash Management Association

Corporate membership: 46

Meetings: Second Tuesdays, except July, August and December.

Membership fee: $110 (includes NCCMA)

Contact: Dale P. Sporck, 1120 Harvey Lane, Suffield, Conn. 06078; (203) 623-1681.

Florida

National Corporate Cash Management Association — South Florida Chapter

Corporate membership: 36

Meetings: Third Thursdays.

Membership fee: $100 corporate; $125 associate.

Contact: John H. Fischer, P.O. Box 113211, Miami, Fla., 33111; (305) 255-8308.

Georgia

Atlanta Treasury Management Association

Corporate membership: 71

Corporate members: Georgia Pacific, Delta, Coca-Cola, Scientific Atlanta.

Meetings: Monthly except July, August and December.

Membership fee: $185

Contact: Charles Smith, 3445 Peachtree Road N.E., Atlanta, Ga. 30326; (404) 239-2963.

Illinois

Treasury Management Association of Chicago

Corporate membership: 72

Meetings: Fourth Thursdays, except July and August; joint meeting November/December.

Membership fee: $150 regional

Contact: William H. Lefebve, Square D Co., 1415 S. Roselle Road, Chicago, Ill. 60067; (312) 397-2600, ext. 305.

Louisiana

New Orleans Cash Management Association

Corporate membership: 22

Meetings: Second Tuesdays, except December.

Membership fee: $125

Contact: Arlene F. Perkins, Middle South Utilities Inc., P.O. Box 61000, New Orleans, La. 70161; (504) 569-4827.

Minnesota

Twin Cities Cash Management Association

Corporate membership: 86

Corporate members: American Hoist & Derrick, Cargill, Control Data, Dayton Hudson.

Meetings: Second Thursdays, September through May.

Membership fee: $50

Contact: Thomas J. Simon, P.O. Box SDS 12-0030, Minneapolis, Minn. 55486; (612) 641-6483.

Missouri

St. Louis Cash Management Association

Corporate membership: 56

Corporate members: Ralston Purina, Anheuser-Busch, McDonnell Douglas, Monsanto.

Meetings: Third Thursdays.

Membership fee: $30

Contact: John Bruenger, ConAgra Frozen Foods, P.O. Box 70, Ballwin, Mo. 63022-0070; (314) 957-4019.

New Jersey

Northern New Jersey Association of Cash Management

Corporate membership: 65

Corporate members: New Jersey Bell, Super Markets General, C.R. Bard, Dow Jones.

Meetings: Second Wednesdays, September through June.

Membership fee: $175

Contact: Don Aquila, 920 Route 202, Raritan, N.J. 08869; (201) 685-1600.

New York

Corporate Cash Managers Association of New York

Corporate membership: 118

Corporate members: AT&T, CBS, Exxon, Nabisco Brands.

Meetings: Third Wednesdays.

Membership fee: $275

Contact: Cheryl B. Lapow, Reliance Group Holdings, 55 E. 52nd St., New York, N.Y. 10055; (212) 909-1193.

PIPER second quarter: Aug. 18.

Ohio

Central Ohio Cash Management Association

Corporate membership: 39

Corporate members: Nationwide Insurance, Wendy's, Worthington Industries, OCLC.

Meetings: Third Wednesdays, September through May.

Membership fee: $25

Contact: Tom Luffy, Columbia Gas of Ohio, 200 Civic Center Drive, Columbus, Ohio, 43216; (614) 460-4279.

Cincinnati Cash Management Association

Corporate membership: 45

Corporate members: Procter & Gamble, Kroger, Mead, NCR.

Meetings: Third Wednesdays, February through May, September through November.

Membership fee: $150 (includes NCCMA)

Contact: Lawrence L. Buechel, Palm Beach Inc., P.O. Box 1519, Cincinnati, Ohio 45201; (513) 241-4260.

Oklahoma

Tulsa Cash Management Association

Corporate membership: 62

Corporate members: CITGO Petroleum, MAPCO, University of Tulsa, Reading & Bates.

Meetings: Third Tuesdays

Membership fee: $75

Contact: Dinah Swinehart, P.O. Box 94465, Tulsa, Okla. 74194; (918) 586-5231.

Oregon

Portland Cash Managers Association

Corporate membership: 95

Corporate members: Pacificorp, Tektronix, Nike, Louisiana Pacific.

Meetings: Third Tuesdays in January, March through May, September through November.

Membership fee: $75

Contact: Don Hehman, P.H.A., P.O. Box 1020, Portland, Ore. 97207; (503) 221-6760.

Pennsylvania

Pittsburgh Cash Management Association

Corporate membership: 41

Meetings: Third Thursday, bimonthly.

Membership fee: $35

Contact: Larry D. McMillen, P.O. Box 2215, Pittsburgh, Pa. 15230; (412) 565-7124.

Tennessee

Financial Managers Association of Nashville

Corporate membership: 85

Meetings: Second Thursdays.

Membership fee: $120

Contact: Betty K. Parker, Drawer T-404, Nashville, Tenn. 37244; (615) 322-2451.

Texas

San Antonio Cash Management Association

Corporate membership: 38

Meetings: Six times a year.

Membership fee: $100

Contact: Ted McFadin, P.O. Box 1272, San Antonio, Texas 78295; (512) 227-3211.

Utah

Utah Corporate Cash Management Association

Corporate membership: 28

Corporate members: Browning Co., Brigham Young University, Mountain Fuel Supply, Utah Power & Light Co.

Meetings: Monthly.

Membership fee: $25

Contact: Martin H. Craven, P.O. Box 899, Room 315, Salt Lake City, Utah 84010; (801) 535-4005.

Virginia

Commonwealth Cash Management Association

Corporate membership: 44

Meetings: Monthly

Membership fee: $125

Contact: James Dietrick, Reynolds Metal Co., P.O. Box 27003, Richmond, Va. 23261; (804) 281-2679.

Wisconsin

Wisconsin Cash Management Association

Corporate membership: 30

Meetings: Third Mondays, September through June.

Membership fee: $120

Contact: Bill Wolters, Manpower Inc., P.O. Box 2053, Glendale, Wis. 53217; (414) 961-1000, ext. 248.

National/regional

Carolinas Cash Management Association

Corporate membership: 74

Corporate members: Maxway, First Wachovia Corp., CP&L, ITT.

Meetings: Monthly September through May, except December and February.

Membership fee: $200

Contact: Sharon L. Ferrell, P.O. Box 2010, Sanford, N.C. 27330; (919) 776-7611.

Electronic Funds Transfer Association

1726 M St. N.W., Washington, D.C.
20015; (202) 659-2100

Services offered: To act as a forum for companies involved in the use and development of electronic funds transfer, which includes automated teller machines, point-of-sale terminals and videotext services.

Clients: 250

Contact: James Callan, senior director.

National Corporate Cash Managers Association

Corporate membership: 2,700

Meetings: Annually in November.

Membership fee: $75.

Contact: Raymond P. Ruzak, executive director, NCCMA, P.O. Box 7001, New Town, Conn. 06470; (203) 426-3007.

Cash Management Association of New England

Corporate membership: 173

Corporate members: Hill's Department Stores, Digital Equipment, Gillette.

Meetings: Eight times a year.

Membership fee: $75

Contact: Keith F. Renaldi, P.O. Box 807, Lynnfield, Mass. 01940; (617) 821-1000, ext. 183.

Service providers

Arthur Andersen & Co.

33 W. Monroe St., Chicago, Ill.
60603; (312) 580-0033

Services offered: Systems development includes planning, design and installation of mainframe, mini- and microcomputers. Also hardware, software and cash management service selection studies, international cash management systems and operations improvement studies.

Clients: 300

Contact: James S. Marpe, partner.

Bank Valuation Inc.

96 Bourndale Road S., Manhasset,
N.Y. 11030; (516) 627-7470

Services offered: Analysis of the largest 150 banks in the United States from a depositor's perspective. The banks are ranked each quarter according to their safety.

The model weights liquidity, 50%; credit risk, 30%; profitability, 10%; interest-rate match, 5%; and capital adequacy, 5%.

Clients: 60

Representative clients: Transamerica, Benham Capital, Drexel Burnham and American Petrofina.

Contact: Neill Reilly, managing director.

Banxquote Online

Division of Masterfund Inc., 575
Madison Ave., New York, N.Y.
10022; (212) 605-0337

Services offered: On-line information or investment advisory services on high-yield, federally insured CDs nationwide. More than 500 depository institutions are included in the data base.

Clients: 300

Representative clients: Metropolitan Life, Wall Street Journal, Dean Witter Reynolds, Reuters.

Contact: Norberto Mehl, president.

Brockden Associates Inc.

P.O. Box 67, Mendham, N.J.
07945; (201) 543-9504

Services offered: Treasury systems; cash management studies, reviews and audits; new product development; domestic and international studies; and microcomputer and mainframe software.

Clients: 20.

Contact: John Wilson, president.

Cash Management Institute

P.O. Box 540, 360 Woodland St.,
Holliston, Mass. 01746; (800)
343-5413 or (617) 429-5930

Services offered: Cash management conferences: CMI National Forum, spring; CMI Industry-Specific Group Forums, fall. Publish The CASH MANAGER.

Contact: Kim MacKenzie Todd, assistant director.

The Donoghue Organization

P.O. Box 540, 360 Woodland St.,
Holliston, Mass. 01746; (800)
343-5413 or (617) 429-5930

Services offered: Donoghue's Money Fund Report, a weekly and monthly newsletter; available via electronic delivery.

Contact: Ken Bohlin, vice president.

First Data Resources Inc.

10825 Farnam Drive C-44, Omaha,
Neb. 68154; (402) 399-7490

Services offered: Concentration and disbursement services, management information reporting, electronic remittance services, lockbox reporting and single bank balance reporting.

Contact: John Albin, marketing manager-cash management department.

National Data Corp.

1 National Data Plaza, Corporate
Square, Atlanta, Ga. 30329; (404)
329-8546

Services offered: Deposit/information reporting (cash concentration), multibank balance reporting, money transfer, treasury workstations.

Representative clients: Fotomat, Sun Bank, Citizens & Southern National Bank, Grossman's.

Contact: F. Rod Austin, vice president-U.S. sales.

Olson Research

6305 Ivy Lane, Greenbelt, Md.
20770; (301) 982-0400

Services offered: Analysis of bank and bank holding companies' risk and return based on a review of more than 125 performance benchmarks. Olson-Score reports provide alphabetical ratings, numerical score, peer group rankings and historical and projected financial data. Reports are updated quarterly in hard copy or diskette format.

Representative clients: Ameritech, Allstate Insurance, Norwest Corp., Kroger Co.

Contact: Mary Heath, product manager.

Peat, Marwick, Mitchell & Co.

345 Park Ave., New York, N.Y.
10154; (212) 758-9700

Services offered: Controls reviews, cash management and banking diagnostic reviews, workstation studies, international treasury services, forecasting and organizational reviews.

Contact: Craig Leiby, senior consultant.

M. Sternburg & Co. Inc.

131 Washington St., Norwalk,
Conn. 06854; (203) 852-7200

Services offered: Eurodollar brokerage services.

Clients: 85

Contact: Peter B. Cozens.

Structured Asset Management

3315 Cameron Drive, Henderson,
N.C. 27536; (919) 492-5154

Services offered: Accounts payable and control; cash/treasury management techniques; credit and collection administration; employee benefit design and administration; liquidity management; receivable analysis and control; working control management.

Contact: George B. Rush, consultant.

Treasury Strategies Inc.

180 N. LaSalle St., Chicago, Ill.
60601; (312) 443-0840

Services offered: Consulting to banks, corporations and financial institutions in the areas of cash management, bank service pricing, high volume remittance processing and ACH applications.

Contact: Anthony J. Carfang, principal.

Valutech

2322 S. Pullman St., Santa Ana,
Calif. 92705; (714) 250-4488

Services offered: Systems integrator for cash management applications. Technical assistance extends across feasibility and cost justification, system design, installation planning and conversion support, benefit tracking and system maintenance. Applications include domestic and international disbursement and cash concentration systems employing all paper and electronic settlement options. System features include automation of manual check production, profit control over the complete payment time line, local and controlled disbursement worldwide, payroll, taxes, interface to existing financial application software, account reconciliation, cash forecasting, automated backup and multilayered security capabilities.

Contact: Eric Thomson, president.

VERIBANC Inc.

P.O. Box 2963, Woburn, Mass.
01888; (617) 245-8370

Services offered: Financial reports on federally insured banks, savings and loans, holding companies, mutual savings banks and credit unions. Also, lists of institutions that meet various criteria and can be client-selected. The firm offers both 24-hour priority and call-back services.

Clients: 5,000

Contact: Kitty T. Heller, president.

White Papers Inc.

95 Gordonhurst Ave., Upper
Montclair, N.J. 07043; (201)
746-5456

Services offered: Electronic payment strategies development, preparation of private "white papers" on payment issues for corporations and financial servicers, electronic payments conferences, and in-house seminars.

Contact: George C. White, president.

Wismer Associates Inc.

22134 Sherman Way, Canoga
Park, Calif. 91303; (818) 884-5515

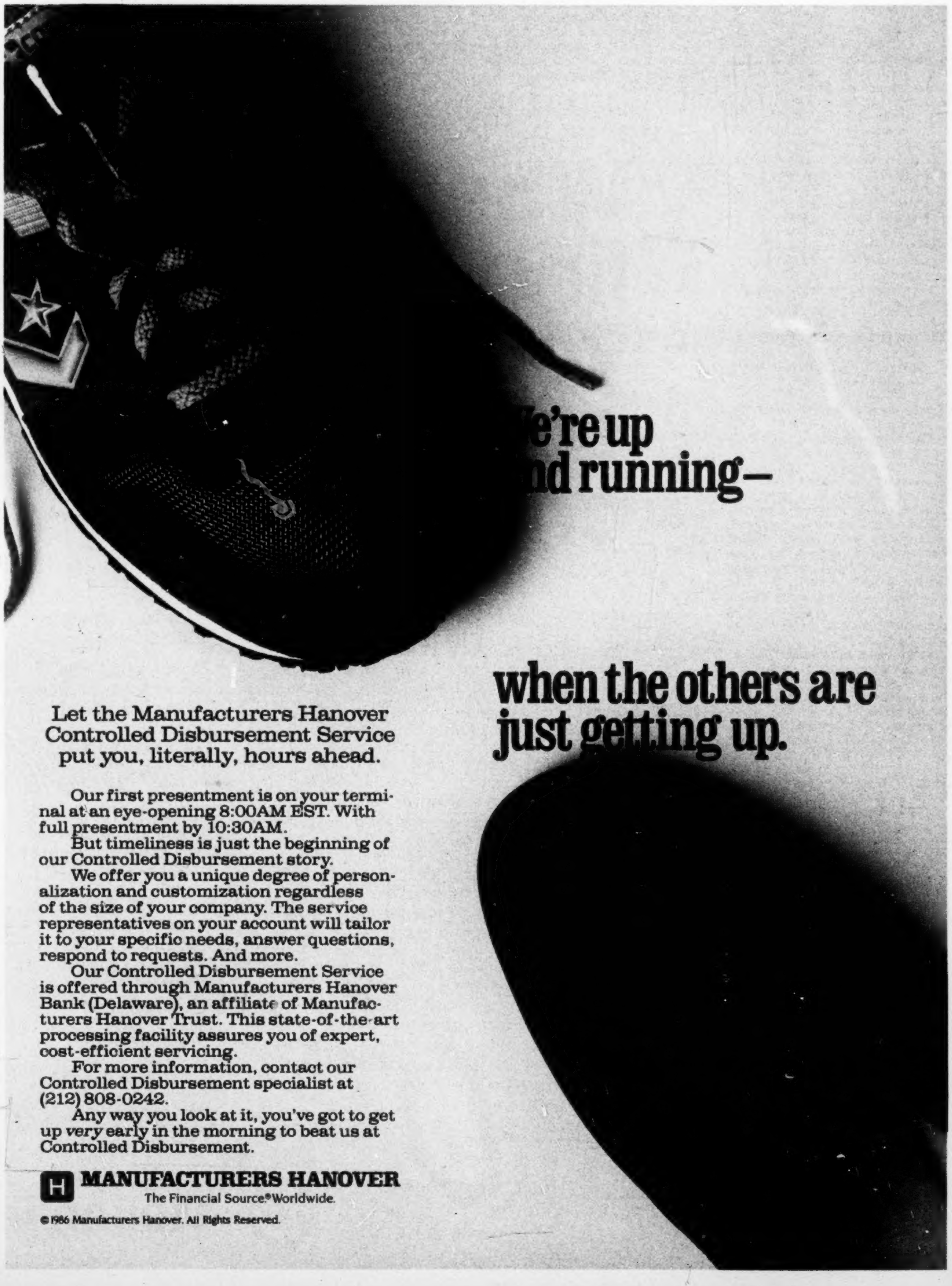
Services offered: CASHMAX, a portfolio management and investment accounting computer system for effective short-term cash and investment management. Includes portfolio management reporting, performance measurement and analysis, cash flow forecasting and tracking, cash management strategy, investment trading selection and analysis, debt management, fund accounting modules. Position reports, income projections, risk monitoring, investment and borrowing simulations, fixed-income swaps.

Also offered is PENSIONMAX, a portfolio management and investment accounting computer system for securities accounting and reporting for bonds, stocks, options, mortgages, Treasuries, agencies, collateral-backed and money market securities. The system also features trade or settlement date, accruals and amortizations/accretions, when-issued trades, specific lot and average cost, income projection, swap analysis and risk monitoring.

Contact: Bruce E. Vollert, vice president-marketing.

XRT Inc.

989 Old Eagle School Road,
Wayne, Pa. 19083; (215) 254-0300



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Services offered: A comprehensive treasury management system including cash management (balance reporting, wire transfer, cash positioning and bank relations), commercial paper issuing, long-term debt and investment management.

Clients: 11

Representative clients: American Express Credit, Associates Corporation of North America, General Motors Acceptance, IBM Credit.

Contact: Anthony Potts, vice president-financial systems.

Managers

AMEV Asset Management

1 World Trade Center, Suite 5001,
New York, N.Y. 10048; (212)
775-9100

Short-term funds: $135 million

Clients: 8

Representative clients: Time Insurance, Western Life Insurance, American Security Insurance.

Investment style: AMEV Asset Management Inc. seeks to maximize total return guided by a client's liquidity and risk preferences as well as tax considerations.

Instruments purchased: CDs, commercial paper, bankers acceptances, T-bills, T-notes, Yankee CDs, Euro CDs, Euro time deposits, repos, money market funds, ARPS, floating-rate notes.

Client contact: Rahmi Sayder, vice president.

Brown Brothers Harriman

59 Wall St., New York, N.Y. 10005;
(212) 493-8330

Short-term funds: $655 million

Clients: 17

Representative clients: AT&T, Litton, NYSE.

Investment style: Brown Brothers Harriman & Co. seeks to maximize total return through active trading and constant evaluation of factors affecting rates in various sectors of the market. Techniques used include varying exposure to market risk, swapping securities, arbitrage, leverage and monitoring of Fed activity and interest rate-related economic events. Implicit in this process is discretionary authority, within guidelines, on the portfolio.

Instruments purchased: CDs, T-bills, T-notes, T-bonds, Yankee and Euro CDs, Euro time deposits, repos, money market funds, ARPS, money market preferred stocks, government agencies (FFCB, FNMA, FHLB, GNMA), corporate notes (medium term).

Fees: 0.15% per annum on first $50 million; 0.125% on next $100 million; 0.10% on excess of $150 million. The annual minimum is $50,000, including custody.

Client contact: Frank J. Keeler, manager.

Capitoline Investment Services Inc.

919 E. Main St., Richmond, Va.
23219; (804) 782-7251

Short-term funds: $545 million

Clients: 91

Representative clients: Alabama-Tennessee Natural Gas, Chesapeake Corp., Farm Fresh Inc.

Investment style: Capitoline pays primary attention to analysis of the yield curve and probable movements of short-term rates, actively positioning maturities to best take advantage of such movements. Particular attention is also paid to special situations in the marketplace resulting from either imbalances in supply and demand or other special circumstances that give rise to attractive short-term yield opportunities.

Instruments purchased: CDs, commercial paper, bankers acceptances, T-bills, T-notes, T-bonds, Yankee and Euro CDs, Euro time deposits, repos, money market funds, stock options, stock index futures, stocks, ARPS, money market preferred stocks, government agencies (FNMA, FHLB, FICB, FFC, FLB, GNMA), tax-exempt commercial paper, tax-exempt notes, corporate bonds, tax-exempt municipal bonds.

Fees: 0.375% on first $10 million; 0.250% on next $10 million; negotiable thereafter.

Client contact: William E. Heisler, vice president-director of marketing.

Chase Lincoln First Bank

1 Lincoln First Square, Rochester,
N.Y. 14643; (716) 258-5220

Short-term funds: $600 million.

Clients: 75

Investment style: Chase Lincoln puts primary emphasis on safety with return maximized through maturity structure and active trading in conjunction with the bank's interest rate forecast. Credit and security research are its strong points.

Instruments purchased: CDs, commercial paper, bankers acceptances, T-bills, T-notes, Euro CDs, repos, money market funds, ARPS, money market preferred stocks, all government agencies, tax-exempt commercial paper, tax-exempt notes.

Fees: In the 25- to 30-basis-point range.

Client contact: Kathleen Dennis, vice president and manager-short term asset management group.

Chemical Bank

277 Park Ave., New York, N.Y.
10172; (212) 310-4504

Short-term funds: $2 billion.

Clients: 17

Investment style: Chemical is an active manager, anticipating interest rate changes. Portfolio strategy emphasizes safety, liquidity and yield within client parameters.

Instruments purchased: CDs, commercial paper, bankers acceptances, T-bills, T-notes, T-bonds, Yankee and Euro CDs, Euro time deposits, repos, tax-exempt commercial paper, tax-exempt notes.

Client contact: Matthew R. Cody, vice president-capital markets.

Drexel Management Corp.

2 Broadway, New York, N.Y.
10004; (212) 482-1390

Short-term funds: $300 million.

Clients: 16

Investment style: Drexel custom tailors each portfolio to a client's specific parameters for risk, liquidity and taxes. All portfolios are actively managed to maximum yield. Analysis of economic variables and anticipation of interest rate trends are key determinants in structuring strategies.

Instruments purchased: CDs, commercial paper, bankers acceptances, T-bills, T-notes, T-bonds, Yankee and Euro CDs, Euro time deposits, repos, money market funds, money market preferred stocks, all government agencies, tax-exempt commercial paper, tax-exempt notes, increasing rate notes.

Fees: 0.25% to 0.15%.

Client contact: Michael J. Napoli Jr., vice president.

First Boston Asset Management Corp.

12 E. 49th St., New York, N.Y.
10017; (212) 909-4525

Short-term funds: $690 million

Clients: 4

Investment style: First Boston optimizes portfolios for total return.

Instruments purchased: CDs, commercial paper, bankers acceptances, T-bills, T-notes, T-bonds, Yankee and Euro CDs, Euro time deposits, repos, money market funds, money market preferred stocks, all government agencies, tax-exempt notes.

Client contact: Michael F. Holland, president.

Public pension funds — the state of the union: Oct. 13.

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- We're the ones who pioneered direct computer access to corporate information through a timesharing terminal in 1969, Touch-Tone® phone keys in 1974 and BAI data file transmission to a microcomputer in 1983—all part of our continuing commitment to refining Telecash®.

We're the staff of Mellon's Global Cash Management group.

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From traditional collection and disbursement services to state-of-the-art electronic information and transaction processing, we can solve your problem. So tear out the next page and send us *your* challenge. We'll handle it for you.

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Mellon Bank

Member FDIC

Fischer, Francis, Trees & Watts

717 Fifth Ave., New York, N.Y.
10022; (212) 350-8050

Short-term funds: $1.2 billion.
Clients: 7

Investment style: Fischer, Francis, Trees & Watts shifts maturity and issuer sector composition of high-grade securities based on the firm's assessment of the major factors affecting the fixed-income markets, yield curve analysis and its proprietary optimization model.

Instruments purchased: CDs, commercial paper, bankers acceptances, T-bills, T-notes, T-bonds, Yankee and Euro CDs, Euro time deposits, repurchase and resale agreements, money market funds, interest rate options, interest rate futures, options on futures, money market preferred stocks, government agencies (FHLB, FNMA, GNMA, World Bank, SLMA, Farm Credit), floating-rate CDs and notes, security lending.

Fees: 0.20% on first $100 million; 0.15% on remaining.

Client contact: Cecilia Murphy, vice president.

Gateway Investment Advisers Inc.

Suite 220, 400 Technecenter Drive,
Milford, Ohio 45150; (513)
248-2700

Short-term funds: $115 million
Clients: 27

Representative clients: Campbell Soup, Central Illinois Public Service, Peak Health Care.

Investment style: Gateway's strategy involves the purchase of higher-yielding common stocks prior to ex-dividend date. Dividends qualify for 85% deduction. Stocks are hedged with options and index options to reduce risk.

Instruments purchased: CDs, T-bills, money market funds, stock options, stocks.

Fees: 1.2% per annum.

Client contact: Peter W. Thayer, executive vice president.

J.J. Grady Co. Inc.

2604 Elmwood Ave., Suite 138,
Rochester, N.Y. 14618-2213; (716)
586-2731

Short-term funds: $5 million
Clients: 5

Investment style: J.J. Grady analyzes financial statements and existing invoicing collection and disbursement process; determines short- and medium-term cash requirements; modifies existing processes to optimize cash retention and/or minimize debt; and establishes a program and portfolio for increasing after-tax interest income or minimizing interest expense.

Instruments purchased: bankers acceptances, Euro CDs, Euro time deposits, money market funds, stocks, ARPS, money market preferred stocks, tax-exempt commercial paper.

Fees: Billed on hourly basis.

Client contact: J.J. Grady, president.

Hedged Portfolio Advisors

327 S. LaSalle St., Chicago, Ill.
60604; (312) 461-1610

Short-term funds: $55 million
Clients: 2

Investment style: Hedged Portfolio Advisors specializes in managing short-term liquidity funds using proprietary models developed to evaluate hedged arbitrage opportunities.

Instruments purchased: T-bills, T-notes, T-bonds, interest rate options, interest rate futures, options on futures, government agencies (GNMA, FNMA, FHLMC).

Client contact: H. Phillip Becker, president.

Liberty Capital Management

11 Broadway, Suite 1066, New
York, N.Y. 10004; (212) 509-0550

Short-term funds: $66 million
Number clients: 9

Representative clients: Blue Cross/Blue Shield of Minnesota, Adventist Living Centers, Capitol Bankers Life Insurance.

Investment style: Liberty Capital uses quantitative, risk-averse management of Treasury securities with the goal of producing capital gains during periods of price strength. Options on futures are used to enhance returns and generate capital gains during periods of price weakness. Individually managed ARPS portfolios are also used as tax-advantaged investments.

Instruments purchased: T-bills, T-notes, interest rate options, options on futures, ARPS, government agencies (FNMA, FHLB).

Fees: 0.5% for first $20 million; 0.4% for next $30 million; 0.3% for more than $50 million.

Client contact: Susan B. Thompson, marketing coordinator.

J.P. Morgan Investment Management Inc.

9 West 57th St., New York, N.Y.
10019; (212) 826-7476

Short-term funds: $900 million
Clients: 12

Investment style: J.P. Morgan actively manages accounts using a balanced approach to trading and risk management. The investment philosophy stresses: applying fundamental analysis to time market moves, control maturity structure and allocate assets; diversifying across a broad range of fixed-income investments to increase returns and lower portfolio risk; and using rigorous credit analysis to maintain high credit quality.

Instruments purchased: CDs, commercial paper, bankers acceptances, T-bills, T-notes, Yankee and Euro CDs, Euro time deposits, repos, interest rate futures, ARPS, money market preferred stocks, all government agencies, tax-exempt commercial paper, tax-exempt notes, corporate notes, private placements, mortgages, non-dollar investments.

Fees: 0.15 of 1% on the first $100 million; 0.125 of 1% on next $100 million; 0.10 of 1% on balance of more than $200 million.

Client contact: Joanne C. Cleary, vice president.

Paramount Capital Group

1 World Trade Center, Suite 1813,
New York, N.Y. 10048; (212)
466-9400

Short-term funds: $35 million
Clients: 7

Representative clients: Ogilvy & Mather, Taylor Forge, Blake Construction.

Investment style: Paramount Capital Group Inc. manages an option-driven dividend capture program designed to generate an after-tax return two to three times after-tax T-bill with a maximum principal fluctuation of 1% per quarter. The portfolio is composed of 20 to 25 high-yielding common stocks. Each position is hedged by writing in-the-money qualified covered calls while the entire portfolio is protected against systematic risk with index puts. The portfolio is turned over about every 60 days to capture dividends eligible for the 85% dividend exclusion.

Instruments purchased: stock options, options on futures, stocks.

Fees: Clients may choose between an asset-based fee of 1% or a performance-based fee tied to after-tax T-bill.

Client contact: Bryan Scott Ganz, chairman.

Payden & Rygel

333 S. Grand Ave., Suite 3250, Los
Angeles, Calif. 90071; (213)
625-1900

Short-term funds: $1.051 billion
Number clients: 12

Investment style: The firm takes an

Write here.

Edward J. Pierson, Vice President
Global Cash Management
Mellon Bank
One Mellon Bank Center
Pittsburgh, PA 15258

Dear Ed,

approach. Very high-quality orientation with daily valuation of all assets. Individually managed portfolios.

Instruments purchased: CDs, commercial paper, bankers acceptances, T-bills, T-notes, T-bonds, Yankee and Euro CDs, Euro time deposits, repos, all government agencies, tax-exempt notes, floating- or variable-rate issue CMO, CARS, corporates.

Fees: 20 basis points on the first $50 million.

Client contact: Jack Reynolds, vice president.

Prudential-Bache Investment Advisory Service

199 Water St., New York, N.Y.
10292; (212) 214-1411

Short-term funds: $1 billion

Clients: 120

Investment style: The firm offers near-term, fixed-income advisory services. Safety, liquidity and yield for clients' funds are sought using yield curve analysis and market timing. It takes discretionary and non-discretionary accounts servicing corporations, financial institutions and non-profit organizations.

Instruments purchased: CDs, commercial paper, bankers acceptances, T-bills, T-notes, T-bonds, Yankee and Euro CDs, Euro time deposits, repos, money market funds, interest rate options, interest rate futures, options on futures, ARPS, money market preferred stocks, government agencies (FNMA, GNMA), tax-exempt commercial paper, tax-exempt notes.

Fees: Annual retainer fee based on average assets under management.

Client contact: Margaret Kelleher, vice president and manager.

Rampart Investment Management Co. Inc.

Exchange Place, Suite 2800,
Boston, Mass. 02109; (617)
742-7400

Short-term funds: $150 million.

Number clients: 12

Investment style: Rampart invests in a diversified portfolio of high-quality common stocks hedged with in-the-money call options. No more than 3% is invested in any one issuer. Market index puts are purchased for market protection.

Instruments purchased: Money market funds, stock options, stocks, tax-exempt money market funds, stock index puts and calls.

Fees: 1.5% on first $10 million; 1.25% on next $20 million; 1% on more than $30 million.

Client contact: David R. Fraley, managing director.

The Ross Capital Corp.

485 Madison Ave., New York, N.Y.
10022; (212) 308-9860

Short-term funds: $225 million

Clients: 15

Investment style: Ross Capital works to protect capital and to minimize portfolio volatility while maximizing after-tax returns by purchasing common stocks and selling call options to hedge market risk.

Instruments purchased: Stock options, stocks, buy writes (long-stock and short-call options).

Fees: Based on performance.

Client contact: Pamela Clement, executive vice president.

Schroder Capital Management International

1 State St., New York, N.Y. 10004;
(212) 269-6500

Short-term funds: $200 million

Number clients: 7

Investment style: Schroder Capital Management International invests in a variety of high-quality, limited-duration investments. Its investment style is based on the selection of investments and maturities offering the best relative value.

Instruments purchased: CDs, commercial paper, bankers acceptances, T-bills, T-notes, Yankee and Euro CDs, Euro time deposits, repos, money market funds, ARPS, money market preferred stocks, all government agencies, tax-exempt commercial paper, tax-exempt notes, floating-rate notes, short-term mortgage-backed securities (CMOs).

Client contact: John J. Mahar, vice president.

Scudder, Stevens & Clark

345 Park Ave., 25th Floor, New
York, N.Y. 10154; (212) 350-8500

Short-term funds: $1.2 billion

Investment style: Scudder, Stevens & Clark actively manages for "excess returns" over buy and hold strategies. The core of the approach is a disciplined analytical process that identifies the differences between the current market structure and the firm's expectations for the yield curve, sector spreads and individual securities.

Instruments purchased: CDs, commercial paper, bankers acceptances, T-bills, T-notes, T-bonds, Yankee and Euro CDs, Euro time deposits, repos, money market funds, interest rate options, stock options, stock index futures, interest rate futures, options on futures, stocks, ARPS, money market preferred stocks, government agencies (FNMA, GNMA, FHLMC), tax-exempt commercial paper, tax-exempt notes.

Client contact: Richard R. Daniels, vice president-investments.

The Alan G. Seidner Co.

201 S. Lake Ave., Suite 705,
Pasadena, Calif. 91101; (213)
681-1024

Short-term funds: $460 million

Clients: 46

Representative clients: Presbyterian Intercommunity Hospital, Bixby Ranch.

Investment style: The Alan G. Seidner Co. seeks the best relative value based on yield spread and yield curve analysis.

Instruments purchased: CDs, commercial paper, bankers acceptances, T-bills, T-notes, T-bonds, Yankee and Euro CDs, Euro time deposits, government agencies (FC, SLMA, HL, FHLMC, FNMA, GNMA), tax-exempt commercial paper, tax-exempt notes.

Fees: An average of 0.125% (based on portfolio size).

Client contact: Alan G. Seidner, president.

Thorndike, Doran, Paine & Lewis

28 State St., Boston, Mass. 02109;
(617) 742-8100

Investment style: Thorndike, Doran, Paine & Lewis seeks to preserve principal value and to maintain a high degree of liquidity while providing a high level of current income by investing in all sectors of the money markets.

Instruments purchased: CDs, commercial paper, bankers acceptances, T-bills, T-notes, Yankee and Euro CDs, Euro time deposits, repos, ARPS, money market preferred stocks, government agencies (FHLMC, FNMA, SLMA, FHLB, FFCB), tax-exempt commercial paper, tax-exempt notes.

Fees: Schedules vary according to product.

Client contact: Dena Willmore, senior vice president-director of marketing.

Union Capital Management

14226 Ladue Road, St. Louis, Mo.
63017; (314) 434-9966

Short-term funds: $620 million

Clients: 50

Representative clients: Largo, Fla.; Pointe Coupee (La.) School Board; Treasure Island, Fla.

Investment style: Union Capital Management Co. analyzes a client's existing cash management system and then implements a market-timing, short-term, fixed-income management policy. The firm's specialty is public fund cash management for local governmental bodies.

Instruments purchased: CDs, T-bills, T-notes, T-bonds, government agencies (FNMA ARMs, SLMA).

Client contacts: Bob Hennecke and Ken Canepa, vice presidents.

United Security Trust Co.

1123 Chapala St., P.O. Box 22108,
Santa Barbara, Calif. 93121; (714)
852-9177

Investment style: United Security Trust offers a fund, managed by an external investment advisory firm, that invests in a portfolio of floating-rate SBA notes with an average maturity of five to seven years. The fund is open for additions or withdrawals on a monthly basis. Because the majority of the SBA notes are adjusted every month, there is little principal risk for the participants.

Instruments purchased: Money market funds and SBA floating-rate notes.

Fees: 0.4%. Net return is prime rate plus.

Client contact: Thomas J. Lightvoet, vice president-investment services.

Webster Management Corp./Kidder Peabody & Co. Inc.

20 Exchange Place, New New
York, N.Y. 10005; (212) 510-5016

Short-term funds: $450 million

Clients: 18

Representative clients: Fleetwood Enterprises, Heritage Communications.

Investment style: Webster offers expertise in taxable and tax-exempt securities, as well as return enhancement techniques using futures and options and dividend recapture programs. Service is customized to meet each client's specific cash flow, liquidity, administrative and tax-status requirements. Special-purpose money market mutual funds are available to small companies.

Instruments purchased: CDs, commercial paper, bankers acceptances, T-bills, T-notes, T-bonds, Yankee and Euro CDs, Euro time deposits, repos, interest rate options, stock options, stock index futures, interest rate futures, options on futures, stocks, ARPS, money market preferred stocks, government agencies (FNMA, FHLMC, home loans, farm credits), tax-exempt commercial paper, tax-exempt notes, municipal or tax-exempt put bonds and variable-rate notes.

Fees: 0.3% on the first $10 million and 0.25% thereafter.

Client contact: Kenneth R. Colton, assistant vice president.

Wertheim Asset Management Services Inc.

230 Park Ave., New York, N.Y.
10169; (212) 370-6140

Short-term funds: $100 million

Clients: 3

Representative client: Calista.

Investment style: Wertheim Asset manages cash equivalents to generate the highest yield. The firm uses investments in domestic, European and Yankee instruments of major banks, A-1/P-1 rated commercial paper and U.S. government/agency issues.

Instruments purchased: CDs, commercial paper, bankers acceptances, T-bills, T-notes, T-bonds, Yankee and Euro CDs, Euro time deposits, money market funds, ARPS, money market preferred stocks, government agencies (FNMA, FHLB, FFLB, World Bank).

Fees: 0.25%

Client contact: Steven W. Golann, senior vice president.

Wharton Asset Management

595 Madison Ave., New York, N.Y.
10022; (212) 888-7680

Short-term funds: $2 million

Clients: 30

Investment style: Wharton Asset Management Corp. follows a dividend capture strategy, using utility stocks and options to hedge market risk. Arbitrage investments are used to generate capital gains.

Instruments purchased: Interest rate options, stock options, stock index futures, interest rate futures, options on futures, stocks.

Client contact: Arnold L. Mintz, executive vice president.

Data bases

BondData

Technical Data Corp., 330
Congress St., Boston, Mass.
02210; (617) 482-3341, ext. 229

BondData's information service includes a daily bond market commentary, continuous updates of the Treasury yield curve, technical market indicators, current and historical spread relationships, cash/futures arbitrage analysis and a bond market performance index.

The data, which is updated several times a day, is available through the Telerate Financial Network; the service is $165. The data can't be accessed by dumb terminals or microcomputers.

The client contact is David Warner, manager-financial services division.

Citibase

Rapidata Division of National Data
Corp., 20 New Dutch Lane,
Fairfield, N.J. 07006; (201)
227-0035

Introduced in 1981, Citibase provides current and historical statistics on the U.S. economy. The data base has more than 4,500 series covering money supply, prices, construction, production, employment productivity and business conditions. Typical applications include: macroeconomic analysis; sales and industry forecasting; market research; strategic planning; growth and trend analysis; and business condition analysis.

The price of the service is based on a $115 initiation fee, a $187.50 monthly fee and a costs-per-unit fee.

The data is updated daily, and can be accessed by dumb terminals and most microcomputers. Users can write their own programs to analyze the data. Also, canned programs can be used.

The client contact is Dorothy C. Monopoli, manager-data base services.

Citibase Weekly

Rapidata Division of National Data
Corp., 20 New Dutch Lane,
Fairfield, N.J. 07006; (201)
227-0035

Citibase Weekly contains key money supply data, interest rates, commodity prices, banking statistics and other financial indicators published on a weekly basis. The Citibase Weekly data base is maintained by Citibank's economics department.

There is a $100 initiation fee and a $100 monthly charge for Citibase members; $130 a month for non-members.

Data, which is updated weekly, can be accessed by dumb terminals and, with a Hayes modem, the IBM PC, the Apple IIe and the Northstar Advantage.

Canned programs can be used, and users can write their own.

The client contact is Dorothy C. Monopoli, manager-data base services.

An annual survey of corporate cash managers: Oct. 27.

The FORTE Financial Services System

Advantage Systems Inc., 950
Winter St., Suite 2100, Waltham,
Mass. 02154; (617) 890-2400

FORTE's product lines have offered a wide range of wholesale electronic banking services for three years.

The Information Reporting products use terminals, microcomputers and Touch-Tone telephones to give customers access to multibank balance and transaction data, as well as historical reports, intraday reports and transaction search features.

The Funds Transfer products enable customers to initiate repetitive and non-repetitive wire transfers; they support multiple currencies, output locations and future-valued transfers. Extensive security controls are provided.

The ACH/Cash Concentration products include ACH payments and depository transfers for funds concentration. It provides extensive inquiry reporting and supports multiple cutoff times, output locations and warehousing.

The menu-driven Infrastructure module includes electronic banking set-up, security and system activity reporting.

In addition to the above four standard products, Advantage Systems offers customized consulting and programming services.

More than 1,000 customers use FORTE. The price of the system depends on the options purchased.

It provides current-day, previous-day and historical data for information reporting. It can be accessed by dumb terminals and microcomputers, including the IBM PC or compatibles. Users can write their own programs to analyze the data.

The client contact is Nat Welch, national account executive.

FundamentalData

Technical Data Corp., 330
Congress St., Boston, Mass.
02210; (617) 482-3341, ext. 229

FundamentalData service, provided in conjunction with Data Resources Inc., offers economic and interest-rate forecasts. The 2-year-old service also provides analysis of the domestic and international credit markets, Federal Reserve activity, Treasury auction statistics and economic releases.

The service, which is updated several times a day, costs $125 and is available through the Telerate Financial Information Network. It is not accessible by dumb terminals or microcomputers.

The client contact is David Warner, manager-financial services division.

International New Issues

Securities Data Co. Inc., 62 William
St., Sixth Floor, New York, N.Y.
10005; (212) 668-0940

This data base, introduced in 1985, covers new issues of Eurobonds in all currencies since Jan. 1, 1980 by corporate, public and supranational borrowers. Foreign bond issues from Jan. 1, 1984, are available.

Up to 100 data items are maintained for each issue. In addition, screening options allow users to select issues based on date, issuer name, currency, country, industry, security type, amount, rating and more.

Users can select issues and either run standard reports or create their own. The data is updated daily, and can be accessed by dumb terminals or microcomputers. Users can write their own programs, Lotus can also be used.

The client contact is Marc Pollinger.

MoneyData

Technical Data Corp., 330
Congress St., Boston, Mass.
02210; (617) 482-3341, ext. 229

The MoneyData service uses technical analysis to advise short-term money market investors about market direction, trading opportunities and investment strategy. The 3-year-old service provides daily commentary on the market, historical yield spreads among money market instruments, a Treasury-bill yield curve, implied forward rate analysis, arbitrage analysis for money market futures contracts and technical analysis of the foreign exchange markets.

The service, which costs $125 and is available through the Telerate Financial Information Network, is updated several times a day. The data can't be accessed by dumb terminals or microcomputers.

The contract client is David Warner, manager-financial services division.

Rapidquote

Rapidata Division of National Data Corp., 20 New Dutch Lane,
Fairfield, N.J. 07006; (201)
227-0035

The 15-year-old Rapidquote II data base provides current and historical trading, financial and descriptive information on more than 52,000 U.S. securities. Historical data goes back 12 years. Equity and debt issues are included, as are more than 200 other key market and industry indexes.

Typical data available for each security are price, volume, information on dividends, beta factors, CUSIP, exchange code and E.P.S. shares outstanding.

The price of the service is based on the number of units used.

The data is updated daily and can be accessed by dumb terminals and standard microcomputers.

Canned programs are applicable and users can write their own.

Client contact is Dorothy C. Monopoli, manager-data base services.

Telerate II

Rapidata Division of National Data Corp., 20 New Dutch Lane,
Fairfield, N.J. 07006; (201)
227-0035

The Telerate II data base, introduced in 1980, provides detailed information on the U.S. money market. It contains more than 500 series covering the major domestic money market instruments, key precious metal prices, Eurocurrency deposit rates and international money market. Some applications for the data are: interest-rate monitoring and analysis; exposure monitoring and analysis; swaps and arbitrage development; yield spread tracking; and tracking of precious metals.

The data, which is updated daily, can be accessed by dumb terminals and most microcomputers.

Users can write their own programs to analyze the data. The firm also has canned programs.

The price of the system is based on the number of units used.

The client contact is Dorothy C. Monopoli, manager-data base services.

VERIBANC

VERIBANC Inc., P.O. Box 2963,
Woburn, Mass. 01888; (617)
245-8370

VERIBANC, introduced in 1982, provides detailed financial data for every federally insured bank, savings and loan and credit union. The firm's reports are used to support cash management decisions and to perform creditworthiness analysis.

VERIBANC, which is used by more than 5,000 clients, costs $20 to $500, depending on the amount of data purchased.

VERIBANC's data includes the latest regulatory releases. It cannot be accessed by dumb terminals, but can be accessed by an IBM compatible microcomputer with 360K byte or 1.2M byte diskettes. The data can also be accessed by Lotus, RBASE and editors capable of manipulating ASCII files. Users can write their own programs to analyze the data.

Client contact is Warren G. Heller.

Zip Code Demographic Data Base

Rapidata Division of National Data Corp., 20 New Dutch Lane,
Fairfield, N.J. 07006; (201)
227-0035

The Zip Code Demographic Data Base, introduced in 1980, provides detailed information on population and income by ZIP code. Aggregations may be done by postal section center, ZIP code range, state, county, region, DMA and individual ZIP code. Data fields available include age, education, family income, home values, education and number of cars.

The price of the service is based on a per ZIP code fee, which varies with the type and number of reports requested.

The data is from the 1980 U.S. Census. It can be accessed by dumb terminals or standard microcomputers.

The firm provides canned programs to process the data, and users also can write their own.

The client contact is Dorothy C. Monopoli, manager-data base services.

Software

CASHENS

Gifford Fong Associates, 1600
Riviera Ave., Suite 285, Walnut
Creek, Calif. 94596; (415)
932-1910

CASHENS is an analytical and administrative tool for those concerned with short-term investment portfolios. Introduced in 1985, it consists of three integrated modules:

CASHRATE provides real-time representative market quotations on a variety of different money market instruments and maturities. Quotations are converted to equivalent yields and spreads are analyzed. Maturity decisions are aided by the calculation of forward break-even rates;

CASHCALC provides an immediate and exact evaluation of a trade, comparison between different securities or maturities, or valuation of a repo or reverse;

CASHPORT is a comprehensive management information system to monitor the money market portfolio. Various portfolio reports are readily available for accounting and management.

The software runs on an IBM PC (XT or AT) that operates on an MS-DOS system with a minimum memory of 640k and a 10 MB fixed disk.

The client contact is Kathleen Earley, applications consultant.

ENCORE!

Ferox Microsystems Inc., 1701 N.
Fort Myer Drive, Suite 1205,
Arlington, Va. 22209; (703)
841-0800

ENCORE! is a professional support tool used to aid corporate management in decision-making and financial modeling. The program gives mainframe results from a microcomputer.

ENCORE! is used for budgetary planning and control; financial reporting and projecting; corporate consolidations; strategic planning; marketing forecasts; investment analysis; merger/acquisitions; cash flow forecasts; business modeling; and systems development.

ENCORE! contains: goal seeking, U.S. tax tables, ACRS depreciation, IRR, NPV, LOAN, Monte Carlo simulation and date arithmetic. ENCORE! is self-documenting. Customer support is provided.

About 1,500 copies of ENCORE! have been sold since its introduction in September 1983. The program sells for $475.

ENCORE! can run on an IBM PC (XT AT) or compatible computer. If the computer operates on a hard-disk drive, the memory must be at least 320k and only one disk is needed. If the computer operates on a floppy-disk drive, the memory must be at least 512k, and two disks are needed.

El 150m
130
20.1
El 150m
3.2
8.2
75
Your cash management landscape.
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The CashPro® family of cash management services now includes an important new product. It's our CashPro Treasury System: a microcomputer based system that goes further than other systems in recognizing the fact that every customer's needs are different.

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Our treasury management specialists help identify your needs and match them with a customized solution. Once installed, the system further allows you to customize output without the need for programming experts.

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ABN Bank Canada offices in Toronto, Montreal, Vancouver. CashPro is a registered trademark of LaSalle National Bank © 1986 LaSalle National Bank

ENCORE! can read ASCII Files from data base.

The client contact is Michael L. Burke, director of marketing.

MAPS/MICROLINK

Ross Systems Inc., 1860
Embarcadero Road, Palo Alto,
Calif. 94303; (415) 856-1100

MAPS/MICROLINK is the first intelligent bridge between the PC-based spreadsheets and sophisticated decision support and accounting tools on the VAX. It permits transfer of financial data between PC-based spreadsheets and centralized, VAX-based accounting and modeling data bases. Designed to work with MAPS/GL and MAPS/MODEL, MAPS/MICROLINK gives financial managers the ability to expedite financial planning budgeting and to consolidate departmental budgets at a corporate level.

The system offers: capability of distributed financial information throughout company; security and prevents data tampering by PC users; single key transfer; menu-driven screens; controlled data selection; interfacing with Lotus 1-2-3 and other popular DIF formatted spreadsheets. It is written in BASIC and ANSI COBOL.

The product was introduced in 1985. About 24 copies have been sold at a starting price of $5,000.

The software can be run on IBM PCs and compatibles. It uses PC/DOS, has a minimum memory of 215KB and uses a minimum of two floppy drives.

Jim Griffin is the client contact.

MAPS/PRO GRAPH

Ross Systems Inc., 1860
Embarcadero Road, Palo Alto,
Calif. 94303; (415) 856-1100

Designed to run on Digital Equipment Corp.'s Professional 300 series personal computer, MAPS/PRO GRAPH can reveal trends, illustrate variances in performance and picture future plans. The system is for the non-programming professional who wants boardroom-quality graphs. Graphs can be displayed on the PRO monitor or interfaced to a Hewlett Packard graphic plotter. It gives a choice of black and white or color screen displays.

It features menu-driven commands and one-stroke function keys. Full screen HELP is available whenever needed.

Since it was introduced in 1982, about 560 copies have been sold. List price is $250.

The software can be run on DEC Professional 350 microcomputer. The operating system is P/OS. Minimum memory is 512 KB. The system uses a hard disk and one floppy drive.

The software can be plugged into DIF formats and ASCII format data bases.

Jim Griffin is the client contact.

MAPS/PRO MODEL

Ross Systems Inc., 1860
Embarcadero Road, Palo Alto,
Calif. 94303; (415) 856-1100

MAPS/PRO MODEL has many features of a "mainframe class" financial modeling language. The system was designed to work with MAPS/MODEL financial modeling software on a VAX minicomputer.

MAPS/PRO MODEL can assist with: budget and performance reporting; performance tracking; financial statement preparation; consolidations; cash flow forecasting; production modeling; capital budgeting; resource allocation; marketing analysis.

MAPS/PRO MODEL is designed to give the user the benefit of the Professional's P/OS multitasking operating system, Winchester disk drive, bit-mapped graphics, special function keys and application menus.

Introduced in 1982, about 570 copies have been sold. List price is $1,250.

The software can be run on DEC Professional 350/380 microcomputers. The operating system is P/OS. Minimum memory is 512KB. The system uses a hard disk and two floppy drives.

The software can be plugged into all ASCII formatted data bases.

Jim Griffin is the client contact.

MASTER BRAIN PLUS

Decision Programming Corp., 5640
Nicholson Lane, Suite 103,
Rockville, Md. 20852; (301)
231-6393

MASTER BRAIN PLUS offers standard fixed-income computation with analytical features including bond duration, compound realized yields, volatility measure and "what-if" horizon analysis for user-specified interest rate assumptions. Range calculations display results for changes in price, yield, reinvestment or interest rates in user-specified increments.

The enhanced version of the product was introduced in January. About 50 copies have been sold. The list price is $675.

The software can be run on IBM and compatibles and on Apple microcomputers. Minimum memory is 256K. System runs on a minimum of one low-density disk.

The program can link to Lotus, Symphony, DBASE and ASCII files.

Marie Kalesnik Koczela, information services, is the client contact.

The Smart Software System

Innovative Software Inc., 9875
Widmer Road, Lenexa, Kan.
66215; (913) 492-3800 or (800)
GET-SMART

The Smart Software System is an integrated package of business applications software including data base manager, spreadsheet with graphics, word processor, communications, time manager and applications programming language. The Smart Spreadsheet size may be up to 999 columns by 9,999 rows.

More than 130 advanced functions are included and up to 50 spreadsheets may be in memory, on screen simultaneously allowing 3-D spreadsheet construction. Smart reads/writes 1-2-3 files. Seventy-eight graph designs are available and support for the IBM Enhanced Graphics Adaptor is provided. The disk-based data base manager allows up to 1 million records per file with 255 fields per record and 1,000 characters per field. All applications feature multilevel password protection.

The product was introduced in September 1984; about 60,000 copies have been sold. List price is $895 (single-user system) and $495 (spreadsheet only or data base manager only).

The software can be run on IBM PC, XT, AT and compatibles using the DOS operating system with a minimum memory of 256K and a minimum of two floppy disks or one floppy and one hard; on LAN using the DOS 3.1 operating system with minimum memory 384K; the AT&T 7300 with the UNIX operating system using one floppy disk and one hard disk; or Tandy using the DOS operating system with a minimum memory of 256K and a minimum of two floppy or one floppy and one hard disk.

The software program can read and write both Lotus WKS files and DIF files.

Paul Donohue, sales manager, is the client contact.

TREASURY 1

Treasury Strategies Inc., 180 N.
LaSalle St., Chicago, Ill. 60601;
(312) 443-0840

The system allows the user to control and manage banking service charges by creating a user-specified standard analysis format. It allows price/cost comparisons on a bank-to-bank or product-to-product basis.

The product was introduced in December 1983. About 1,000 copies have been sold. List price is $6,000 for master system and $2,500 for basic system (for smaller companies).

The software can be run on IBM PC, XT, AT and most compatibles using the PC-DOS operating system with a minimum memory of 256K and a minimum of two floppies; a hard disk is preferable.

The software program has a link to Lotus 1-2-3.

Richard J. Poje, principal, is the client contact.

Treasury workstations

The Account Analysis Monitor

Phoenix-Hecht, 550 Frontage
Road, Northfield, Ill. 60693; (312)
441-9080

The Account Analysis Monitor standardizes account analysis statement formats and terminology. It also provides Lotus-compatible software to perform comparative and trend analyses across multiple banks and over time.

The monitor is a new product.

The client contact is Gary D. Schneider, senior consultant.

Automated Treasurer

First Tennessee Bank, 165
Madison Ave., Memphis, Tenn.
38103; (901) 523-4767

The Automated Treasurer is a fully loaded treasurer workstation product able to handle balance and transaction reporting, money transfers, Lotus interface and the preparation of cash flow worksheets.

Its client is the University of Tennessee.

Larry Sistrunk, vice president, is the client contact.

BankLink

BankLink USA, 52 Broadway, New
York, N.Y. 10004; (212) 701-4014

BankLink I is a comprehensive time-sharing-based cash management system; BankLink II is a microcomputer-based treasury workstation. Other services include MicroReporter, a simplified treasury workstation option for large middle-market corporations; and MicroLink, a balance and transaction delivery service designed for smaller and midsize businesses.

BankLink has more than 80 licensees worldwide, serving more than 10,000 corporations.

The client contact is Tracey Uberroth, marketing representative.

Directline Banking

Bank of Montreal, First Canadian
Place, 22nd Floor, Toronto, Ontario
M5X 1A1; (416) 867-6845

Directline Banking provides on-line real-time access to U.S.-dollar and Canadian-dollar accounts in any of 1,200 branches nationwide. It also provides detailed transaction reporting, real-time third-party transfers and wire payment initiation. The system, introduced in 1982, uses IBM PC (compatible) software to automate data retrieval and to interface with internal applications.

The client contact is Molly Flemming, product manager.

FirstWindow

First National Bank of Chicago, 1
First National Plaza, Chicago, Ill.
60670; (312) 407-8038

FirstWindow is a microcomputer umbrella product that accesses all of First Chicago's cash management products. It collects balances in autodial or manual mode and translates BAI data directly to Lotus' worksheet format.

Six clients use FirstWindow, including Henry Crown and the Chicago Board Options Exchange.

The client contact is Scott Bates, senior vice president.

Florida MicroLink

Florida National Bank, 225 Water
St., Jacksonville, Fla. 32202; (904)
359-5620

Florida MicroLink is a microcomputer-based information exchange system that requires neither software purchase nor licensing fee. Current functions include multibank balance and transaction reporting, wire transfers, cash position worksheet, check manager and spreadsheet output.

Florida MicroLink is used by eight clients, including Alliance Mortgage Co., Coca-Cola Bottling Co. of Miami and Budget Uniform.

The client contact is Paul Hyson, vice president.

Harris Financial Manager

Harris Trust and Savings Bank,
111 W. Monroe, Chicago, Ill.
60690; (312) 461-7180

The Harris Financial Manager is a full-function workstation that can be customized by the corporate user. Harris emphasizes customer training and support by individuals familiar with treasury operations and microcomputer software.

The client contact is Charles Howes, assistant vice president.

ICMS

ICMS, 1150 Bayhill Drive, San
Bruno, Calif. 94066; (415)
583-3714

ICMS (Integrated Cash Management System) is an eight-module treasury management system: communications; debt/investment; worksheet/balance manager; accounting manager; forecast; bank/division relationship manager; foreign exchange; and utilities. ICMS, which is available on IBM mainframes and IBM PCs and compatibles, is designed for companies with complex treasury requirements.

Clients include Chevron, Apple Computer, Hyundai Motor America and Businessland.

The client contact is Jeffrey W. Price, director of sales and marketing.

InfoCash MicroStation

Chase Manhattan Bank, 195
Broadway, New York, N.Y. 10007;
(212) 669-6040

InfoCash MicroStation is a workstation that uses microtechnology to automatically retrieve and display banking activity and information from the customer's banking network. The MicroStation, through the Trade Manager module, also provides transaction initiation capabilities to Chase operations units for money transfers, ACH transactions, commercial paper issuance and letters of credit.

It is used by 200 firms, including Ingersoll-Rand, Pfizer and Conagra.

The client contact is J. Putnam, vice president.

INTERPLEX

MH Financial Management
Systems Inc., 140 E. 45th St., New
York, N.Y. 10017;
1-800-MHT-PLEX

The INTERPLEX family of four micro- or minicomputer-based financial management systems offers such treasury management functions as cash and bank management, investment and debt management and commercial paper and foreign exchange management. The INTERPLEX product line and services include hardware, software, training, documentation, upgrades and enhancements.

MH Financial Management offers installation and support capabilities, and also conducts meetings to give users an opportunity to learn about new applications and to contribute suggestions for future enhancements.

INTERPLEX is used by 134 companies, including American Tobacco, Metromedia, Morton Thiokol and U.S. Steel.

The client contact is George Chelius, group vice president-sales.

MicroCTS

Capital Systems Group Inc., 1803
Research Blvd., Rockville, Md.
20850; (301) 762-1200

MicroCTS is a user-friendly, integrated treasury workstation with 12 modules for communications, debt/investment, bank relationship, signatory tracking and writing reports.

MicroCTS is used by 112 clients, including Commonwealth Aluminum, Penn Mutual Insurance, Uniroyal and Broward County, Fla.

The client contact is John N. Gonzales, executive vice president.

MicroExpress I and II

Wells Fargo Bank, 420
Montgomery St., San Francisco,
Calif. 94163; (415) 396-7777

MicroExpress is an IBM PC (XT AT) compatible treasury workstation with autodial function to retrieve report formats or BAI reports, and to parse information into customer-designed electronic spreadsheets.

There are 131 clients.

The client contact is David P. Kurrasch, vice president.

MicroTalk

ADS Associates Inc., 23586
Calabasas Road, Suite 200,
Calabasas, Calif. 91302; (818)
347-9100

MicroTalk is a microcomputer-based voice-response system that uses a Touch-Tone telephone interface to enable users at remote locations to input and receive information. The system, which has just been placed on the market, lends itself to multiple applications, such as balance information reporting, deposit concentration and cash vault ordering. MicroTalk can accept downloading of information from and can upload information to a mainframe or a minicomputer. It generates complete audit trail, data base and status reports.

The client contact is Hillary Apelbaum, marketing representative.

RESOURCE

ADS Associates Inc., 23586
Calabasas Road, Suite 200,
Calabasas, Calif. 91302; (818)
347-9100

RESOURCE is a self-contained, on-line, real-time, microcomputer-based software system for cash and portfolio managers. It is modular in design, menu-driven, flexible, easy to customize, available as a single station or an integrated network and frequently interfaced to mainframe or minicomputer systems.

RESOURCE monitors cash positions by retrieving and consolidating bank balance information. A daily cash position worksheet gives an up-to-date picture of cash status, integrating data from the entire system. A cash ledger automates cashbook functions.

It tracks portfolios of fixed-income investments, overnight funds and debt, including commercial paper. It performs calculations on yield and accrued interest, and provides management reports.

The system is used by 350 clients, including Ashland Oil, Conrail, Electronic Data Systems and TRW.

The client contact is Hillary Apelbaum, marketing representative.

Treasury Microcomputer Software

NCNB National Bank, 1 NCNB
Plaza, T18-1, Charlotte, N.C.
28255; (704) 374-7311

The basic version of the system automatically retrieves bank data and transfers it to the user's spreadsheets.

More sophisticated software modules are available for balance reporting/cash position management, investment and debt management, bank relationship management, electronic funds transfer (wire, ACH, DTC) and user-defined reporting. NCNB provides installation, training and support. All software runs on the IBM PC (XT AT) and compatibles.

Treasury Microcomputer Software is used by six clients, including James River Corp. and Blue Cross and Blue Shield of Maryland.

The client contact is Phil A. Leonard, vice president.

Treasury Workstation

United Missouri Bank of Kansas City, 10th and Grand, Kansas City, Mo. 64141; (816) 556-7500

Treasury Workstation is a microcomputer-based system that allows the corporate cash manager to access balance and activity information, download data for further analysis and expedite wire transfer requests.

Client contact is Margaret Smith, corporate services representative.

Treasury Workstation

First Florida Bank, P.O. Box 1810, Tampa, Fla. 33601; (813) 224-1447

Treasury Workstation can be used for balance/transaction reporting, as a load to Lotus, for cash decision worksheets, money transfers, security communications and receipts and disbursements. Three clients use the system.

The client contact is Bill Dacko, vice president-cash management.

Canadian banks

Bank of Nova Scotia

44 King St. W., Toronto, Ontario M5H 1H1; (416) 866-3959

Executive: Ray G. Darke, general manager.

Contact: Carmen Giordano.

C.M. professionals: 70

The Bank of Nova Scotia's Cash Management Services offers international wire transfers and FX rates in addition to those terminal-initiated services indicated on the chart.

It also offers a general cash management review.

Its account reconciliation package was developed in-house.

Canadian Imperial Bank of Commerce

237 Park Ave., New York, N.Y. 10017; (212) 309-8810 and Commerce Court Postal Station, Toronto, Ontario, M5L 1A2; (416) 784-6374

Fortune 1000 total clients: 500

Executive: John Bumister, vice president-cash management services.

Contact: Gary Pickell, senior manager, New York; David C. Prescott, assistant general manager, Toronto.

Canadian Imperial Bank of Commerce's Cash Management Services Division uses the lockboxing network of the Mellon Bank. The bank has stand-alone sites in Vancouver, Calgary, Winnipeg, Regina, Toronto, Montreal and Halifax.

Terminal-initiated services not on the chart include payroll services, real time balance reporting, money transfers and securities management.

The bank has overseas lockboxing by arrangement in most world financial centers.

Its lockbox/disbursement studies are based on its own model. The consulting group covers all aspects of the field, especially centralized banking, cross-border cash management and Canadian cash management for U.S. corporations.

The bank developed its account reconciliation system in conjunction with Disc Inc. Other services include netting, pooling and offsetting.

Citibank Canada

University Place, 123 Front St. W., Suite 2000, Toronto, Ontario M8V 3L8; (416) 947-5637

Executive: Brian K. McArthur, vice president-electronic banking.

Contact: Leslie J. MacKinlay, assistant vice president-electronic banking, in Toronto at (416) 947-5534; Bruce Foster, manager, in Calgary at (403) 233-2125.

Citibank Canada's Electronic Banking Department will provide Canadian companies with U.S. cash management services in controlled disbursement, terminal-initiated commercial paper and stop payments and depository transfer checks through the ACH.

Royal Bank of Canada

Royal Bank Plaza, Toronto, Ontario M5J 2J5; (416) 974-5986

Executive: J.R. Brewer, cash management services.

Contact: P.D. Erratt.

C.M. professionals: 10

Royal Bank of Canada's Cash Management Services Department has stand-alone lockbox processing facilities at various points across Canada.

Its account reconciliation package was developed in-house.

The Toronto-Dominion Bank

Toronto Dominion Centre, P.O. Box 1, Toronto, Ontario, M5K 1A2; (416) 982-2362

Executive: R.A. "Tony" Cook, general manager-cash management services group.

Contact: Ken Buchanan, manager-cash management services.

C.M. professionals: 35

Toronto-Dominion Bank's Cash Management Services Group has stand-alone lockbox processing facilities in the major cities of Canada.

Terminal-initiated services not on the chart include customer payroll service.

The bank has international lockbox collection sites in the United States through Philadelphia National Bank.

The consulting group provides customized studies, usually using the Phoenix-Hecht model. The group also offers full cash management studies.

The bank's account reconciliation package was developed in-house. Other services offered include payroll, an overnight fund vehicle and general investment reporting.

Canadian associations

Cash Management Association of British Columbia

Corporate membership: 52

Meetings: Six a year.

Contact: Yvonne Ross, British Columbia Central Credit Union, 1441 Creekside Drive, Vancouver, British Columbia V6B 3R9; (604) 734-1604.

Calgary Cash Management Association

Corporate membership: 61

Meetings: Six a year.

Contact: Brian Volstad, P.O. Box 2100, Calgary, Alberta T2P 2M5; (403) 268-2627.

Cash Management Association of Canada

Corporate membership: 477

Meetings: Monthly regional meetings, annual nationwide conference.

Contact: Yvonne Ross, Box 112, 150 King St. W., Toronto, Ontario M5H 1J9; (416) 979-6118.

A directory of international investment advisers: Aug. 4.

Each year, Salomon Brothers ranks 35 bank holding companies by profitability, credit quality, capital, productivity and liquidity.

For the fourth straight year, PNC Financial Corp has been the only one ranked in the top three.

As proud as we are of how we rank financially, we're equally proud of how we rank with our customers.

In the 1984 and 1985 *Pensions & Investment Age* surveys of cash managers, for example, our Pittsburgh National affiliate was judged to be one of America's top six banks. Our ranking was based on an evaluation of our overall cash management system.

When a regional bank delivers these kinds of performances, there must be something special at work. We believe it's our management style: conservative in making strategic decisions; aggressive in meeting customer needs.

Aggressive performance conservatively planned.

PNC

PNC FINANCIAL CORP

Pittsburgh National Bank • Provident National Bank
Marine Bank • Northeastern Bank • The Hershey Bank • PNC Commercial Corp
PNC Information Systems Corp • PNC International Bank • PNC Investment
Company • PNC Merchant Banking Company • PNC National Bank (Delaware)
PNC Realty Services • PNC Trust Company of Florida, N.A.

Cash & Treasury Management Association

Corporate membership: 73

Meetings: Six times a year.

Membership fee: $100

Contact: W.D. Yeates, P.O. Box 112, Sun Life Centre, 150 King St. W., Toronto, Ontario M5H 1J9; (416) 979-6118.

Edmonton Cash Management Association

Corporate membership: 30

Corporate members: Alberta Energy Co.

Meetings: Last Tuesday of each month.

Membership fee: $125

Contact: Michael B. Neuman, Box 559-21, 10405 Jasper Ave., Edmonton, Alberta T5J 3S2; (403) 427-9766.

Insurance Companies Cash Management Group

Corporate membership: 37

Meetings: Twice a year.

Membership fee: $15

Contact: Paul Gray, The Canada Life Assurance Co., 330 University Ave., Toronto, Ontario M5G 1R8; (416) 597-1456.

Cash Management Association of Manitoba

Corporate membership: 28

Meetings: Six times a year.

Contact: Laura M. Allan, Manitoba. Telephone System, P.O. Box 6666, 489 Empress St., Winnipeg, Manitoba R3C 3V6; (204) 947-8270.

Cash Management Association of Montreal

Corporate membership: 30

Corporate members: Aluminum Co. of Canada, Avon Canada, Bell Canada, Bell Canada Enterprises.

Meetings: Bimonthly.

Membership fee: $125 (Canadian)

Contact: Andrew Balfour, c/o Steinberg Inc., 3500 de Maisonneuve St. 14th Floor, Alexis Nihon Plaza Tower A, Montreal, Quebec H3Z 1Y3; (514) 931-9331, ext. 7159.

Ottawa Cash Management Association

Corporate membership: 40

Meetings: Nine times a year.

Membership fee: $100

Contact: T. Robertson, P.O. Box 655, Ottawa, Ontario K1P 5T9; (613) 996-6606.

Cash Management Association of Saskatchewan

Corporate membership: 35

Meetings: Monthly, with summer and Christmas breaks.

Membership fee: $50

Contact: Don Pearson, Sixth Floor, 2350 Albert St., Regina, Saskatchewan S4P 4A6; (306) 787-3923.

Toronto Cash Management Society

Corporate membership: 102

Meetings: Six times a year.

Membership fee: $50

Contact: Bev Dinsmore, Box 754, Adelaide Street Post Office, 36 Adelaide St. E., Toronto, Ontario, M5C 1J0; (416) 233-5811.

Upcoming special features in *Pensions & Investment Age* include: a directory of international advisers, Aug. 4; union funds update, Sept. 1; directory of real estate advisers, Sept. 15; institutional brokerage survey, Sept. 29; a look at public pension funds, Oct. 13; a survey of cash managers; a look at venture capital, Nov. 24; defined contribution plans, Dec. 8.

Corporations meet short-term needs

Commercial paper use increases

By Chuck Paustian

More and more corporations are using the commercial paper market to meet short-term financing needs, reducing the amount of loans issued by money-center banks.

Low interest rates continue to make issuing commercial paper a cost-efficient means of raising capital for high-quality companies, analysts said.

Creative and sometimes complex credit enhancements are opening the market to additional companies, which had been unable to access the market previously, the analysts added.

The money-center banks seem ready to relinquish their role of providers of short-term capital, choosing to focus on other revenue sources.

Statistics released by the Federal Reserve Bank of New York show the growth of the commercial paper market has skyrocketed during the past several years.

The average amount of non-financial commercial paper outstanding has risen to $81.52 billion during the first quarter of 1986, up from an average of $63.96 billion during the fourth quarter of 1980.

Meanwhile, short-term bank loans, as a percentage of all short-term, non-financial business credit, have declined to 27.5% during the first quarter of 1986, down from 32.5% during the fourth quarter of 1980.

Analysts say the reason for the growth is simple — cost.

"I think one of the main factors is these top-quality corporate credits can borrow in the commercial paper market at a lower rate than the banks can profitably undertake," said C. Reed Parker, executive vice president and vice chairman of the credit rating committee at Duff & Phelps Inc., Chicago.

On July 7, the prime lending rate was 8.5%, while the rate for 30-day commercial paper sold through dealers was 6.65%.

Lawrence A. Kudlow, chief economist at Bear, Stearns & Co. Inc., New York, agreed the spread between the prime lending rate and commercial paper rates was a major factor.

"Second, I think the money markets have more liquidity than the banks do," Mr. Kudlow added. "Banks are not willing to make a lot of loans."

Iowa Electric Light & Power Co., Cedar Rapids, does all of its short-term financing in the commercial paper market, said J.B. Rehnstrom, senior vice president-finance and secretary of the company.

Iowa Electric, with $454 million in revenues in 1985, has between $10 million and $12 million in commercial paper outstanding, Mr. Rehnstrom said.

He said the commercial paper is supported by $60 million in back-up bank lines of credit from four banks, led by First National Bank of Chicago.

"We still feel that, competitively, the commercial paper rates still beat anything we've seen from the banks," he said.

Duff & Phelps' Mr. Parker said commercial paper issuers traditionally have belonged to an exclusive club of only the highest-quality corporations.

The quality of a company's credit is based on, among other things, its size and the nature of its business.

"Once into the club though, you have access to the cheapest money going short of Treasury bills," he said.

In an attempt to bring more companies into the commercial paper markets, investment bankers are developing a vast number of different credit enhancements for the marginal companies.

"There are probably as many ways as investment bankers can think of," said Gary Miller, senior analyst with Moody's Investors Service Inc., New York.

"Typically you have to be a fairly strong credit to issue commercial paper on your own," he said.

In addition to credit enhancements, companies are becoming more creative in their selection of which assets are used to pay off the commercial paper.

For example, CSW Credit Inc., a captive-finance subsidiary of Central and South West Corp., Dallas, purchased at a discount the accounts receivables of the parent's five utility subsidiaries.

John E. Taulbee, executive vice president and chief financial officer of Central and South West said the company borrowed money, first from the banks and then through the commercial paper market, to purchase the accounts receivables.

By transferring that asset to CSW Credit, he said, it enables the company to reduce its debt-to-equity ratio.

"What that does is by highly leveraging it, we can share in the increased profits," said Mr. Taulbee, adding the higher profits would lead to lower rates for customers.

He said CSW Credit's commercial paper program was started in January; the company has more than $150 million in commercial paper outstanding.

Mr. Taulbee said the commercial paper program has eliminated all of CSW Credit's short-term bank loans.

"We still will have bank lines at least equal to the largest amount of commercial paper outstanding," he said. "But for a top-rated company, commercial paper is almost always cheaper (than bank loans), even with adding the cost of the back-up lines."

As corporations continue to turn to the commercial paper market for their short-term financing needs, banks appear willing to forgo the loan business while concentrating on other sources of revenue.

"Banks are anxious to expand in the consumer area and in the international area, but they are not anxious to expand in the corporate loan area," said Bear Stearns' Mr. Kudlow.

Anthony J. Carfang, principal of Treasury Strategies Inc., Chicago, which offers consulting services to banks, said the large banks' loan customers will comprise those companies that could not issue commercial paper.

"It means the larger banks are going to be stuck with riskier loans," he said.

Mr. Carfang said some banks, such as Bankers Trust Co. and Citibank, both in New York, still serve as intermediaries for borrowers and lenders, although the loan does not actually pass through the bank.

"Just because they can't lend directly doesn't mean they still can't make a fee for facilitating the transaction," he said.

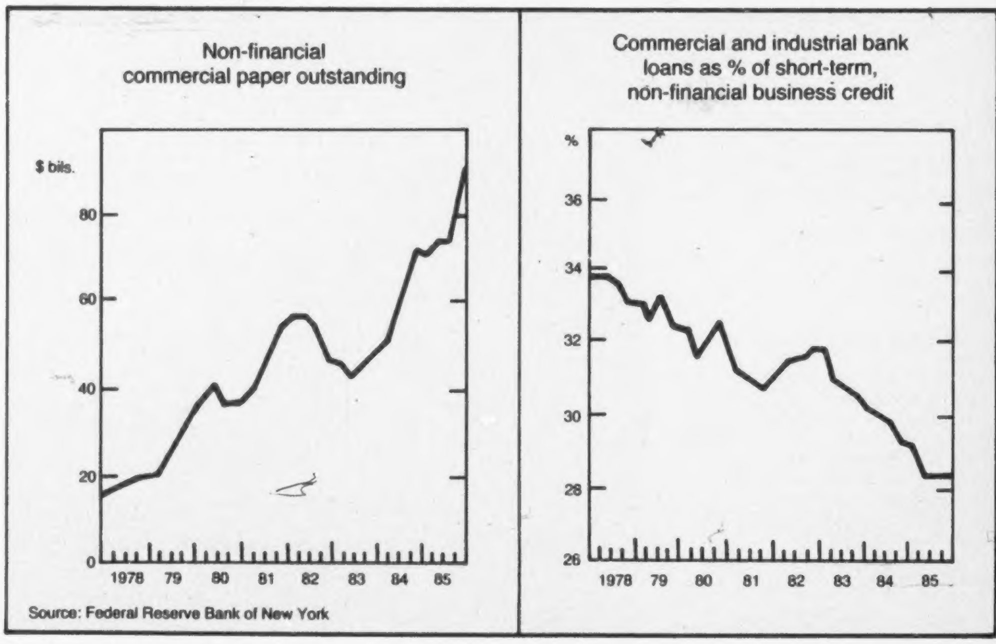
In addition, banks receive fees for the back-up lines of credit they issue as credit enhancements for a company's commercial paper program.

"They don't get as much as if they had the loans themselves, but it's better than no fee," said Iowa Electric's Mr. Rehnstrom.

The development of these alternative lines of businesses has changed the appearance of some banks.

"Now that banks have gotten the hang of corporate finance, you see some banks restructuring and looking more like investment banks," said Mr. Kudlow.

Everyone contacted agreed unless there is a major adverse change in the commercial paper market, companies will continue to use the instruments to finance their short-term needs. ■


Non-financial commercial paper outstanding

Commercial and industrial bank loans as % of short-term, non-financial business credit

Source: Federal Reserve Bank of New York

GM sets up network . . .

Continued from page CM1

GM, which has been studying the idea for about three years and seriously working on it for about 18 months, will begin making payments under it soon, possibly by the new model year in the fall.

GM is believed to be still negotiating with its suppliers.

Sources said suppliers ought to be willing to adopt the system, not only because of GM's influence as a major purchaser, but also because of the system's advantages, such as facilitating payments and information.

GM would like suppliers to renegotiate purchase terms, effectively to preserve some of the payment float of the paper-based system, sources said.

The automaker first explored working with the ACH, according to several sources.

"GM was pushing for (ACH) improvements on corporate trade payments," one said. "But the ACH was dragging its feet and so were the banks. So GM . . . decided to create its own EFT system. It was a matter of principal."

The association has had a number of discussions with GM executives about adapting the ACH to its needs, officials said.

One suggestion, according to other sources, was for GM to use a proposed ACH electronic information format, the so-called CTX. One source said CTX "could possibly accommodate GM."

"But it's two or three years away," he added. Besides, the "NCCMA's reaction to CTX is to propose a second payment system."

Although other sources said GM's concern about ACH payment security helped prompt the decision to use another system, others — including George White, president of White Papers Inc., Upper Montclair, N.J. — disagreed.

Karen Reed, the NACHA's public relations director, acknowledged questions arise about potential security problems, including confidentiality, interlopers and liability in defaults. "My response to that is that the ACH is a very secure system."

"It is nothing to worry about," added Teresa Turner, NACHA operations director.

Nevertheless, NACHA is concerned about GM's plans. "There is a great deal of concern about setting up a system that will essentially do the same thing as the system now in use does," Ms. Reed said.

"I feel confident they will turn to the ACH and not set up their own system, but they certainly have not made a public statement on what they are going to do." ■

Interest rates will fall, latest forecasts say

By Andrea Finamore

Short-term interest rates will take a moderate step down within the year because of sluggish growth prospects, low inflation and Congress' expected overhaul of tax laws.

This is the consensus of a group of bank economists, security analysts and money managers surveyed by *Pensions & Investment Age*.

Less clear was the effect of the expected lower corporate tax rates on dividend capture investment programs. For corporations paying high taxes, dividend capture generally has provided an attractive spread, on an after-tax basis, to the returns on taxable short-term investments. But such program managers gave mixed views on whether dividend programs would maintain such a spread under a lower corporate tax rate.

Inflation forecasts for the next year varied widely among the eight economists and other experts interviewed. The lowest was 1%, predicted by Michael Drury, senior economist, A. Gary Shilling & Co., New York.

The highest — 3.5% — was made by Joel Keffer, economic analyst, Irving Trust Co., New York.

Most analysts predicted interest rates on commercial paper and Treasury bills will decline by late this year.

High-grade, dealer-placed 90-day, 60-day and 30-day commercial paper rates were, respectively, 6.5%, 6.55% and 6.65% near mid-July, while one-year T-bills were paying 6.36%.

John Rutledge, chairman, Claremont Economics Institute, Claremont, Calif., predicted 30-day commercial paper rates would fall over the next three quarters, respectively, to 6.3%, 5.7% and 5.1%.

"The world is unwinding from inflation, so policy-makers are afraid to overstimulate the economy in fear of inflation," said Alan Sinai, chief economist, Shearson Lehman Brothers Inc., New York.

"Restrictive policies result, causing slow growth and decreased interest rates. There is an international trend with weak economic growth. If it doesn't improve, the central banks will have to step in."

"It's expected that the Federal Reserve will adopt an accommodating monetary policy to decrease interest rates to stimulate the demand for goods and services," said Wayne Stevens, director of research, Duff & Phelps Inc., Chicago.

Another Duff & Phelps executive, Reed Parker, executive vice president and vice chairman of the credit ratings committee, sees the economy as "having extra oil in the tank. Money is not going into purchases of goods and services, thus increasing the demand for extra securities, reducing interest rates."

Ronald J. Talley, vice president director of research of the economics department, Mellon Bank, Pittsburgh, sees federal funds declining modestly to 6.25% by the end of this year, influenced by a sluggish GNP, a "well-contained inflation rate at a 3% trend, low by standards of the past 1[illegible] years," and the tax bill, "broadly conducive to lowering interest rates, in making borrowing costs after taxes higher and the saving reward greater," he said.

"Also, expectations for growth abroad will allow room for easing monetary policy."

Massive portfolio restructuring, added to still declining GNP and inflation, also will decrease rates, will continue forcing investors to sell hard tangible assets and buy stocks and securities, according to Mr. Rutledge.

Some economists, however, believe the GNP and interest rates will climb slightly.

"Recently the rates are moving downward because the economy is not showing significant growth," said Joseph T. Keating, vice president and director of fixed income at American National Bank and Trust Co., Chicago. "But I do anticipate a rise in the GNP through the year, which will apply modest upward pressure on (12-month) rates."

Mr. Keffer concurred, predicting a basic rise in rates with economic growth from 50 to 150 basis points higher than today in the second half of this year through next year.

"We are far from a recession," he said. "The Fed's cutting rates is limited in the long term. By next year, the increased demand for credit will also put pressure on interest rates."

Assuming the enactment of a tax reform package that closely resembles the one passed by the Senate, rather than the House's version, most of the economists surveyed and some money managers said dividend capture programs may still continue to be attractive over taxable short-term investments, for corporations in the higher tax brackets, even though the highest tax bracket would fall to 27% from 46%.

Some experts suggested dividends may increase as taxable investors in general find the tax advantages of capital gains eliminated by the new law and demand more returns in dividends that the lower tax rates make more attractive.

Currently, corporations may exclude 85% of the dividends from their income for tax reporting purposes, provided they hold the securities for at least 49 days.

Under tax proposals, the exclusion might be less generous, though no final proposal has been adopted. As a result, the reduced exclusion and the lower tax rate could make dividends less attractive to corporations, some analysts said.

One corporate investor with taxable working cash in dividend programs was indifferent to effects of tax revision on the investment.

William C. Glynn, senior vice president-finance and chief financial officer, MDU Resources Group Inc., Bismarck, N.D., said the tax proposals wouldn't have an effect on the investment. As the legislation is proposed, he noted a cut in the firm's general tax rate would be offset by its loss of investment tax credits.

A treasury executive for another corporate investor, a major consumer products company, said the tax proposal, although somewhat harmful, would still keep dividends relatively attractive compared to short-term instruments.

She said the proposed reduction of the exclusion to 80% from 85% would blemish the dividends' attractiveness and could narrow the spread.

"Dividend captures, compared to taxable investments, are relatively better but not in an absolute sense quite as attractive as they once were before the reform," she said.

She said her firm doesn't plan to change its dividend investment program. Its returns would still be attractive compared to what it would receive in other taxable investments.

Peter Dodge, president of Corporate Preferred Fund, W.P. Carey & Co., New York, said, "There has been some recent fence-sitting, but investors will be staying with dividend funds and expanding there, getting into municipals and preferred stocks with a tax advantage."

Bryan Ganz, chairman of Paramount Capital Group Inc., New York, said, "Dividend captures will lose some competitive advantage, but with the large margin now, dividend capture will still turn out to be a better vehicle for corporate cash after the law is passed."

He added he does not anticipate a great spread between dividend captures and exclusively taxable instruments.

Mr. Ganz said he expects rates on short-term municipal issues to decline after tax reform because municipalities will increase the supply of long-term issues while cutting back the supply of short-term issues.

An investment official from Drexel Burnham Lambert Inc., New York, who asked that his name not be used, predicts that for corporations investing their taxable working cash, "dividends will still be better than the Treasuries and CDs (on an after-tax basis). They would receive an after-tax return of 8% instead of 10%, but that's still better than 3% on Treasuries," he suggested.

He added the spread, between dividend programs and taxable short-term investments, would narrow 100 to 150 basis points, making dividend programs still worthwhile. ■

Economic forecasts

	One-year Treasury bills rate as of			Growth over next 12 mos.	
	Oct.	Jan.	April '87	Inflation[1]	GNP[2]
Michael Drury A. Gary Shilling & Co.	6 %	5.5 %	5.5 %	1 %	2 %
Robert Genetski Harris Trust & Savings Bank	5.4	5.1	5	2	4
Joseph T. Keating American National Bank	6.44	6.9	7.45	2.9	2.7
Joel Keffer Irving Trust Co.	—	—	—	3.5	2.5
Richard S. Peterson Continental Illinois	—	—	—	2	—
John Rutledge Claremont Economic Inst.	5.7	5	4.6	2	2.5
Laurence Siegel Ibbotson & Associates	6.33	6.41	6.19	—	—
Wayne Stevens Duff & Phelps Inc.	5.9	5.6	—	1.8	2.5
Ronald J. Tally Mellon Bank	—	—	—	3	3
Averages	5.96	5.75	5.75	2.28	2.74

[1] Consumer price index

[2] Gross national product, adjusted for inflation

Firms slow to pay dividends electronically

By Barry B. Burr

Only a few corporations now electronically deposit dividend checks directly into shareholders' bank accounts, despite a general perception the transfers might save on check processing and administrative costs.

Several corporations, however, are considering offering such a form of dividend payments, according to executives interviewed.

Nearly all the executives noted that moving to electronic funds transfer would entail the probable loss of the traditional float from shareholders who delay cashing their checks, which corporations

Consolidated Edison Co. of New York in 1981 apparently became the first corporation to offer shareholders such a service, according to Roger Hampsmire, director of treasury operations.

International Business Machines Corp., Armonk, N.Y., began offering electronic deposits of dividends in the third quarter of last year, said Peter Descovich, manager of stockholder records.

"We're on the cutting edge of doing this," said William Clifford, financial analyst, Consolidated Edison.

The number of shareholders at both companies receiving dividends through electronic funds system, mainly because most shareholders still prefer receiving dividend checks in the mail.

In all, about 2% of large corporations paid dividends electronically last year, according to Greenwich Associates, Greenwich, Conn.

Among companies considering electronic dividend payments is New York State Electric & Gas Corp., Ithaca, N.Y.

"We're studying that at the moment," said Michael Ellis, cash manager.

Northern States Power Co., Minneapolis, has been canvassing shareholders about such a service, while Phillips Petroleum Corp., Bartlesville, Okla., has considered holders, a survey by Harris Trust and Savings Bank, Chicago, found widespread interest among individuals in electronic dividends.

Of the 660 responses to the survey of subscribers to its investment advisory newsletter, Harris found 45% of the Americans and 61% of the Canadians favored electronic dividend payments, according to Jeffrey C. Nicholson, a vice president at the bank.

Mr. Nicholson noted implementing such a system depends on acceptance by the chief corporate executives and the board of directors as well as shareholders.

"It's not something that a corporate cash manager can decide," he said.

choose a paper-based direct deposit, by which dividend checks are mailed directly to banks, instead of to shareholders' homes.

About 9,000 of Consolidated Edison's 180,000 shareholders take advantage of electronic dividend payments, said Thomas Lienhard, manager of investor services.

He had no breakdown on saving, saying the cost was probably about the same as mailing checks.

"The money savings are slight given the relatively low rate of participation," said Mr. Hampsmire. "But we hope to get more people participating and save money over time."

"There will be a slight savings

Assets outpace . . .

Continued from page 3

$39 billion surplus reported in 1984.

Not surprisingly, the largest surpluses most often belonged to the largest companies:

- IBM Corp., Armonk, N.Y., had the highest surplus — $7.78 billion, a 76% increase from the $4.42 billion reported in 1984.
- AT&T was second, reporting surplus assets of $6.05 billion, an increase of 10.2% from 1984's $5.49 billion.
- General Electric Co., Fairfield, Conn., was third, with a $5.96 billion surplus, up 77.3% from 1984's $3.36 billion.
- Exxon, with surplus assets totaling $3.886 billion, was fourth. That was an increase of 80.7% from $2.15 billion in 1984.
- Du Pont was fifth, with $2.73 billion. That reflected no change from the surplus reported in 1984.

Only eight of the 100 companies were underfunded in 1985, vs. seven in 1984. Dana Corp., Toledo, Ohio, with an unfunded liability of $11 million, was new to the list of unfunded plans, as well as to the top 100 survey.

The five largest unfunded liabilities were reported by two steelmakers and three automakers:

- Bethlehem Steel Corp., Bethlehem, Pa., reported the largest unfunded liability — $1.033 billion. That was a growth of 21% from 1984's deficit of $853 million.
- Chrysler Corp., Detroit, was second, with an unfunded liability of $581.5 million, a 68.6% increase from 1984's $345 million.
- American Motors Corp., Southfield, Mich., shrank its unfunded liability 31% to $243.6 million, from the previous year's $354 million.
- The LTV Corp., Dallas, reported an unfunded liability of $238.4 million, a 1% increase from the $236 million unfunded liability reported in 1984.
- Firestone Tire & Rubber Co., Akron, Ohio, had an unfunded liability of $76 million, a drop of almost 120% from its reported overfunding of $167.5 million in 1984. In 1985, the company recouped more than $250 million in excess assets after terminating its domestic defined benefit pension plan for salaried employees.

In two of the Big Three automobile manufacturers (Ford Motor Co. and General Motors Corp.), asset growth outpaced liability growth. Both companies reported the largest changes in vested funding status.

At Ford, Dearborn, Mich., assets grew 24%, while vested liabilities grew only 5% during 1985.

Ford's assets rose to $10.62 billion in 1985 from $8.55 billion a year earlier. Its vested benefits grew to $9.18 billion in 1985 from $8.77 billion 1984. As a result, the company reported a pension surplus amounting to 12% of its total net worth in 1985. In 1984, it reported a funding deficit of 2.2% of net worth.

Ford's vested funding status changed dramatically in 1985, moving to a surplus of $1.44 billion from an unfunded liability of $220 million in 1984.

Marc Twinney, pension manager, said the jump was caused by an unusual item in 1984's figures.

Because of amendments made to the pension plan resulting from 1984 labor settlements and additions to non-union plans, roughly $1 billion in liabilities was added to the 1984 report. Ford accounted for all $1 billion in 1984, instead of spreading out the liabilities over three years, as is commonly done by automakers.

Also, Mr. Twinney noted the fund, which is fully invested, appreciated roughly 26% in last year's strong market.

Pension assets at General Motors, Detroit, also grew faster than vested liabilities. GM's assets increased 31% in 1985, to about $25.5 billion from about $19.5 billion in 1984. Vested benefits rose 16% during 1985, to about $23.4 billion from about $20.2 billion the year before.

GM's pension surplus assets comprised 8.2% of the company's net worth in 1985, vs. a 3.2% funding deficit in 1984.

Like Ford, GM also saw a dramatic increase in its vested funding status in 1985. The fund's surplus increased more than 14 times over in 1985, to $2.117 billion from $149 million in 1984.

For the Chrysler pension fund, the opposite was true.

Chrysler's pension assets grew 16% during 1985, to $2.92 billion from $2.51 billion in 1984.

Assets reported by Chrysler were footnoted as assets the company owed to the plan but had not yet contributed.

"The fund's policy is to contribute at the highest level possible under Internal Revenue Service limits," said Russell Flynn, manager-pension fund administration.

"We do, however, end up with some past service liabilities that we are not permitted to fund in a one-year period," he added. "Instead, we spread them over a 10-year period.

"It's a liability, totaling $161.8 million, that's recognized on the balance sheet for which we haven't received the money yet."

Vested liabilities at Chrysler rose roughly 21% during 1985, to $3.5 billion from about $2.86 billion in 1984. As a result, Chrysler's funding deficit grew to 13.8% of net worth in 1985, from a deficit of 10.4% of net worth in 1984.

That pension fund's vested funding status remained more level: In 1985, the Chrysler plan was underfunded by $581.5 million, vs. $344 million in 1984.

Despite the increase in the underfunded status, Mr. Flynn pointed out that the negative position was reduced considerably between 1983 and 1984.

Chrysler dedicated $1.1 billion in plan assets during 1984, which reduced the plan's underfunding to about $345 million from about $947 million in 1983, he said.

"But in 1985, because of labor negotiations, which resulted in additional benefits, the unfunded status grew," Mr. Flynn said. ■

Harvard . . .

Continued from page 3

to limit its indexed investments to 25% of its equity assets — although the index fund itself is designed to beat the S&P bogey.

Harvard invests about 65% of its assets, or $2.4 billion, in equities.

The endowment's index fund has evolved significantly during the past few years. When Harvard started exploring index funds in 1983, it created three varieties of funds: a fund tracking the S&P 500; a fund investing in S&P 500 stock index futures; and a skewed index.

Since then, fund officials have blended the indexes into one product that might invest in some 175 stocks, futures or a combination.

In addition, fund officials can weight the fund according to their outlook for the market. For example, they can tilt the index fund toward larger capitalization stocks by beefing up with S&P 500 stocks. Alternatively, they could shift the bias to include smaller-cap stocks by investing in Value Line stocks or futures.

Computer-enhanced products allow fund officials to direct the fund in a variety of avenues, for example, by using a yield tilt.

The fund is "actively managed but not in a sense of selling a stock," Mr. Cabot said. "I think it's another misnomer in the industry to think of these (index funds) as passively managed funds."

As opposed to a traditional index fund, which is designed to mirror a specific market benchmark, Harvard's fund is designed to provide a premium on the return offered by a straight S&P 500 fund, Mr. Cabot said.

In addition, the fund provides added flexibility to the endowment, enabling managers to boost or decrease risk at will to the overall portfolio, he said.

Besides providing an equity core, the fund also allows Harvard to market time "on the margin," Mr. Cabot said. Using the index in either an up or a down market is easier than investing a listed group of securities to catch the broader trend of the market, he added.

In addition, investing in an index fund is safer when the market is giving mixed signals as to its direction, he said.

"To the degree that (portfolio managers) have clarity of thought, you go buy individual securities," he said. When the market outlook is not clear, one retreats to the index.

Another function for the index fund is to help train new portfolio managers. "We have some younger investment managers and we don't just give them a pot of money on Day One," Mr. Cabot said. Instead, the managers draw off the index fund.

Hot firms . . .

Continued from page 2

aging small-capitalization stocks.

First Chicago and Lazard Freres each had one account reported in addition to the California Public Employees' account. The San Francisco City and County Employees' Retirement System hired First Chicago to run $50 million in non-U.S. fixed income, while the International Union of Electrical Technical Salaried Marine Workers Pension Fund, Bloomfield, N.J., hired Lazard Freres to run $43 million in a balanced account.

Rounding out the top 10 were Harris Trust and Savings Bank, Chicago; Lehman Management Co., New York; and Wells Fargo Investment Advisors, San Francisco.

Harris Trust won a $200 million short-term investment account for the Chicago Transit Authority pension fund and a $10 million convertible securities account for the Mack Trucks Inc., pension fund, Allentown, Pa.

Lehman's new accounts were a $140 million bond index fund for the Mississippi Public Employees' Retirement System, Jackson, and a $50 million balanced account for the Major League Baseball Players' fund.

Wells Fargo won assignments to run index funds for the Georgia-Pacific Corp. pension and profit-sharing funds, Atlanta; the Nevada Public Employees' system; and the New York City Teachers' Variable Fund.

Another firm that did well in the second quarter was Duff & Phelps Investment Management Co., Chicago. Duff & Phelps' relationships with the $795 million Arizona Public Safety Personnel Retirement System and the $57 million Arizona Elected Officials and Judges Retirement Fund were upgraded to near-discretionary from advisory. (Because the accounts are not fully discretionary, Duff & Phelps was not included in the top rankings.)

accounts reported in the quarter tended to win smaller amounts of money to manage. Lowe, Brockenbrough, Tierney & Tattersall, Richmond, Va., had five new accounts, with three of the accounts totaling $45 million and the size of two others undisclosed.

Trammell Crow Equity Partners, a New York-based real estate fund that invests in hard-to-sell properties, also drew five pension fund investors, with three committing a total of $65 million and the commitments from the other two undisclosed.

Six investment firms had four new accounts reported in the quarter. Dimensional, the leader in assets gained, was among them.

Firms that lost large accounts during the quarter included Batterymarch Financial Management, Boston, which had a $212 million equity account terminated by the Illinois Municipal Retirement Fund. Fund officials said they made the move because of poor performance by Batterymarch.

Criterion Investment Management Co., Houston, had its equity allocation from the Nevada Public Employees' system reduced to about $250 million from nearly $600 million, as the Nevada fund rebalanced its equity lineup. ■

Most new accounts*

2nd quarter 1986

Firm	New accounts
Lowe, Brockenbrough, Tierney & Tattersall	5
Trammell Crow Equity Partners	5
Bear, Stearns Asset Management	4
Mount Vernon Associates	4
Dimensional Fund Advisors	4
Prudential Asset Management	4
State Street Bank and Trust Co.	4

* As reported in *Pensions & Investment Age*

Most new assets*

2nd quarter 1986

Firm	($ mil.)
Dimensional Fund Advisors	422 to 822
First Chicago Investment Advisors	150 to 550
Lazard Freres Asset Management	143 to 543
Atalanta / Sosnoff Capital Management	100 to 500
Fidelity Bank	100 to 500
Geewax Terker & Co.	100 to 500
TSA Capital Management	100 to 500
Harris Trust and Savings Bank	210
Lehman Management Co.	190
Wells Fargo Investment Advisors	161.5

* As reported in *Pensions & Investment Age*

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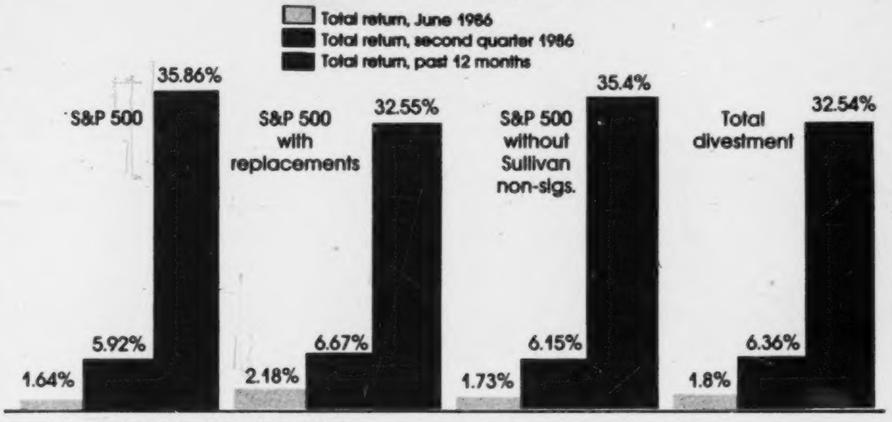
Statistically speaking

The Statistically Speaking page offers an at-a-glance look at statistics for the latest quarter.

The Wilshire South Africa Free Index, Mercer-Meidinger bullet GIC data, First Chicago's MMI and the Russell 3000 returns will appear regularly.

Other data will be used as time and space allow.

South Africa Free Index



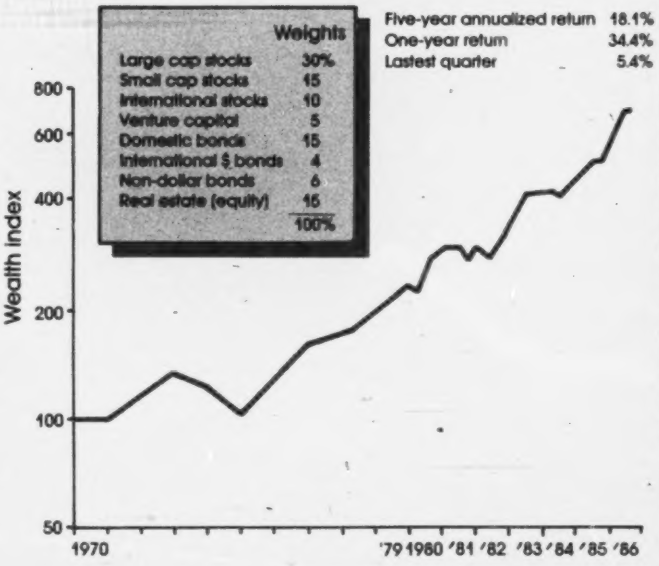
Source: Wilshire Associates, Santa Monica, Calif.

S&P 500 with replacements: replaces a South Africa-related company with next largest company in the industry. **S&P 500 without Sullivan non-signatories**: excludes 20 companies, no replacements. **Total divestment**: eliminates all companies with South Africa involvement, no replacements.

Multiple Markets Index

1970 through 1979 data reflect year-end figure

The Multiple Markets Index is a benchmark for total portfolio returns. It is composed of nine asset classes used by retirement plan executives; it is calibrated to reflect the same degree of risk of the typical pension portfolio; it uses passive fixed policy weights; and it represents the individual asset classes by the broadest and most complete market return data available.

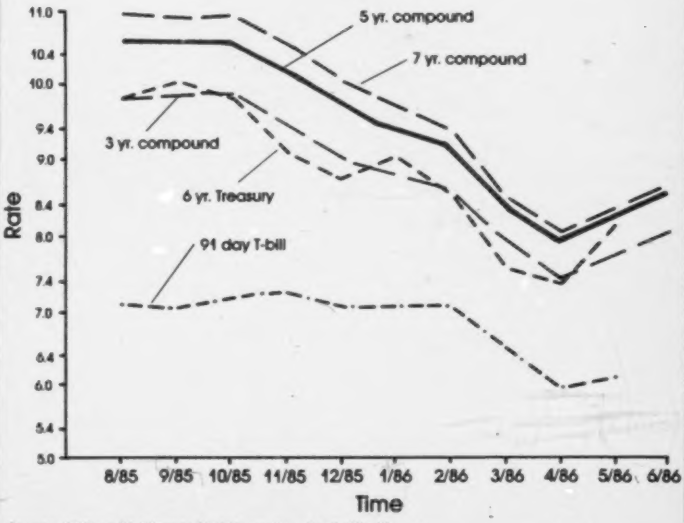


	Weights
Large cap stocks	30%
Small cap stocks	15
International stocks	10
Venture capital	5
Domestic bonds	15
International $ bonds	4
Non-dollar bonds	6
Real estate (equity)	15
	100%

Five-year annualized return	18.1%
One-year return	34.4%
Lastest quarter	5.4%

Source: First Chicago Investment Advisors, Chicago 12/31/69 = 100 Data through 6/30/86

William M. Mercer-Meidinger Inc. Summary of average bullet GIC data vs. market yields



Source: William M. Mercer-Meidinger Inc., Louisville, Ky.

Second quarter 1986 returns

	Russell 3000	Russell 1000	Russell 1000 by market capitalization				Russell 2000
			Large	Medium/large	Medium	Medium/small	
Financial services	2.8%	2.3%	−6.2%	−3.0%	4.2%	9.0%	8.6%
Utilities	7.1	7.1	13.2	−0.5	6.6	8.3	6.6
Technology	0.4	0.4	0.9	−0.9	−1.8	3.4	0.0
Basic industry	0.5	0.3	5.7	−0.8	−0.6	−0.8	1.7
Integrated oils	7.1	7.1	8.2	3.9	−0.6	4.7	−4.9
Other energy	5.7	6.2	15.8	3.3	4.4	11.2	3.3
Consumer staples	15.2	15.5	8.6	18.1	9.7	9.2	9.5
Consumer discretionary	11.9	12.4	18.6	12.2	15.5	13.5	8.8
Health care	17.0	17.6	−6.2	12.7	26.3	17.8	11.1
Auto and transportation	−4.0	−4.2	0.0	−7.5	0.9	1.3	−1.4
Total	5.9	6.0	7.3	4.1	5.3	7.5	4.8

Source: Frank Russell Co., Tacoma, Wash.